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TODAY: TECHNOLOGY The Spittin' Image, Page 10

Algeria Bars EU Visit To Discuss Slaughter

'Low-Level' Delegation Not 'Appropriate' Despite Earlier Indications of Welcome

Reuters

Ahmed Attaf, Algeria's foreign minister, rejecting the EU mission.

By Craig R. Whitney
New York Times Service

PARIS — The Algerian government said Wednesday that it would reject a mission the European Union wants to send during the weekend to see what can be done to stop the six-year slaughter of tens of thousands of civilians in clashes between government forces and Islamic fundamentalists.

Anticipating sensitivity by beleaguered authorities in the former French colony, the Europeans had received indications that mid-level foreign ministry officials from Luxembourg, Britain and Austria would be welcome in Algiers if they wanted to talk about the government's efforts to combat terrorism.

But Wednesday, the Algerians barred the door.

"This is a low-level delegation which is not appropriate to discuss important matters that could have been discussed," Algeria's foreign minister, Ahmed Attaf, said in Algiers.

"We have recently been faced with reservations and hesitations from our European partners and we have been told that the EU is not ready to offer help in dealing with combating terrorism," he said.

"These elements take away the meaning and the substance of the mission and make it far away from what we wished from dialogue with the Europeans."

Officials in Paris, which has deferred to its European partners because Algeria is still touchy about dealing with the French 36 years after winning its independence, said France would not object to a high-level mission if the Algerians would agree to receive it, but expressed doubt that they would.

European foreign ministers will discuss what they can do about the ongoing slaughter, if anything, at their next regularly scheduled meeting in Brussels on Jan. 26, British officials said.

The Algerian authorities have said that recent massacres of hundreds of civilians in the western mountains and in suburbs south of Algiers during the

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Agence France-Presse

South Koreans stacking gold collected in a public campaign to bolster the country's depleted assets. Seoul shipped 300 kilograms Wednesday.

Korean Unionists Relent on Strikes

President-Elect Kim Gets Labor To Join Discussions on Layoffs

By Nicholas D. Kristof
New York Times Service

SEOUL — Labor unions backed down Wednesday from threats of imminent nationwide strikes as part of landmark new discussions that may make it far easier for President-elect Kim Dae Jung to authorize mass layoffs while retaining labor peace.

Labor's decision to step back from confrontation is a major victory for Mr. Kim. It lays the groundwork for legislation authorizing layoffs while reducing the risk of strikes or even riots that would have shaken the image of South Korea around the world.

"We're close to agreement with labor on resolving all issues, including layoffs, before the end of this month," Mr. Kim said Wednesday. "If labor, management and politicians can resolve this issue, we will have new hope for the future."

The unions' decision to back down helped lift the benchmark index of the Seoul stock market by 2.46 percent in record trading. The won also rose, with the dollar slipping to 1,665 won from 1,761 on Tuesday.

Major national strikes had been planned for Saturday but now seem unlikely to go ahead. Moreover, despite widespread expectations of labor unrest, South Korea may now have a chance of getting through the next couple of months without union members filling the streets and tear gas wafting through the air.

In formal terms, what the country's two main union federations agreed to do was simply to talk. After earlier refusing

Crisis alarms Beijing. Page 13.

to do so, they consented Wednesday to joining a tripartite panel with business leaders and political figures so that they can work out a deal on allowing layoffs.

Union spokesmen said that Mr. Kim had agreed to postpone deliberations on a bill allowing layoffs until the committee reaches agreement.

The legislation is widely regarded as necessary to convince the International Monetary Fund and international bankers and investors that South Korea is serious about making its labor market less rigid. It is now very difficult for large companies to lay off unneeded workers.

The unions say they still oppose layoffs, but they now sound prepared to negotiate seriously instead of just pres-

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Diplomacy On Iraq Tries U.S. Patience

Washington Adamant: Only UN, Not Baghdad, Can Choose Inspectors

By Brian Knowlton
International Herald Tribune

WASHINGTON — The United Nations Security Council on Wednesday deplored the Iraqi failure to allow an inspection team led by an American to search for weapons in Baghdad and urged Iraq to allow "unfettered access," but American officials said that their patience with diplomacy was wearing thin.

The United States is "increasingly exhausting" available diplomatic means to resolve the continuing crisis, said Michael McCurry, the White House spokesman.

The chief U.S. delegate to the United Nations, Bill Richardson, welcomed the UN declaration but added, "My optimism is waning considerably."

In what appeared to be an effort to fashion a diplomatic exit from the crisis, sparked by Iraqi complaints that Americans dominate the inspection teams, Mr. McCurry said the United States was not insisting on the "presence of any U.S. national" on the teams.

But he insisted again that any change in the teams' composition would be decided solely by the United Nations on the grounds of technical competence and would not be made to appease Iraq.

The State Department spokesman, meanwhile, said that he had not intended to signal a more flexible U.S. position on the composition of the teams when he told the International Herald Tribune on Tuesday that "our problem is not nationalities; our problem is professional competence."

The spokesman, James Rubin, when asked by the Reuters news agency about the report of "new flexibility" on the issue of the teams' composition, responded: "There's nothing to that. It is just an interpretation. I wasn't meaning to suggest anything new."

He added, "I strongly deny" that there has been a shift in the U.S. po-

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IMF Expects 'Acceleration' of Indonesia Reforms

By Michael Richardson
International Herald Tribune

SINGAPORE — The head of the International Monetary Fund said Wednesday that he expected to reach a "very solid agreement" with President Suharto of Indonesia on a "dramatic acceleration" of economic reforms, while warning that any further attempt at "easygoing implementation" would only aggravate the country's financial crisis.

The IMF managing director, Michel Camdessus, said the agreement — to be announced Thursday after he meets with Mr. Suharto — would address problems including "monopolies, governance issues, corruption and opacity in the financial sector."

The IMF chief said bluntly that "the immediate priority" of his visit to Jakarta was "to arrest and turn around the tremendous loss of confidence, and stabilize the market through monetary discipline and a dramatic acceleration of long overdue structural reforms."

[In a separate development Wednesday, the U.S. Treasury said officials were trying to set up a meeting of the world's leading finance ministers to address the Asian economic crisis, Bridge News reported from Washington.

[The meeting is not expected to take place until after the Group of Seven finance ministers and central bankers meet in London on Feb. 20.

["The United States plans to convene a meeting of finance ministers from key countries around the world to explore the implications of the current financial situation in Asia and ways to deal with these challenges," a Treasury spokesman said.]

The comments by Mr. Camdessus during a stopover in Singapore while he was en route to Jakarta, helped send Asian stocks sharply higher for a second day amid increasing optimism that the region's financial crisis might be com-

See JAKARTA, Page 6

In Vichy Trial, Papon Stands Not Silent, but Mute

By John Vinocur
International Herald Tribune

BORDEAUX — Marc Robert, the red-robed prosecutor, leans forward just a bit more and with his quiet, nonhectoring voice asks, a reasonable question presuming a reasonable answer, why a Nazi request to arrest Americans in 1942 could be ignored, but not one concerning Jews.

The 87-year-old man facing him on the other side of the courtroom answers promptly. That was not his decision. It was a matter for Maurice Sabatier, prefect of the Gironde region, to decide and not someone like himself, his hierarchical subordinate.

Maurice Papon, accused of complicity in crimes against humanity for his part as a Vichy government official in sending 1,560 Jews from Bordeaux to their death in Auschwitz, sits back down.

Mr. Robert thinks a moment. "So when you insist you had the SS's guns at your back," he says, "it's false because when the Americans weren't rounded up, what happened?"

Three months into Mr. Papon's trial, and halfway through its 45th hearing, Mr. Robert seems to have grown tired of the old man's answers, weary of his constant retreat from the obvious or the logical. This time, the prosecutor provides the response to his own question. "Nothing," he says.

And the startled courtroom murmurs, hearing a word it knew would not come from Mr. Papon.

This trial, whose particularity is to document the nature of the French administration's cooperation with the Nazis in the extermination of the Jews, often comes down to a kind of circular, daily struggle.

Patrick Bernard/Agence France-Presse

Maurice Papon arriving at the courthouse in Bordeaux with his usual detail of special policemen. The face of the officer at the right was covered electronically to guard his anonymity.

On the one hand, there are the prosecutor and lawyers for the civil plaintiffs arguing the case to substantiate Mr. Papon's active involvement in the mechanics of the Holocaust and his knowledge of its monstrous finality; and on the other, Mr. Papon, the former secretary-general of the Gironde prefecture, saying, in the classic manner of Nazi war crimes trials, I-didn't-know, I-wasn't-there, I-wasn't-the-boss, I-was-on-vacation-that-week. Literally. Or: You-can't-imagine-how-it-was-back-then; or: I-actually-tried-to-slow-things-down.

This has been the central rhythm of details and denial in the seafoam green courtroom as the examination moves from trainload to trainload of Jews arrested in Bordeaux and then shipped to the Drancy camp near Paris en route to extermination — each victim passing through the hands of the prefecture's Bureau of Jewish Affairs supervised by Mr. Papon from 1942 to 1944.

Schoolchildren attend the hearings, reports on the trial frequently make the nightly television news and accounts of the proceedings reach the pages of the serious newspapers every day, but the evidence and arguments are lodged in a narrow channel of the familiar and the expected. The testimony, for the most part, brings touches rather than new hammer blows to what is left of the Gaullist myth that the nation as one resisted the Nazi occupier. In the courtroom's routine and its soft pastel light, a sense of the horror of what took place down the street some 50 years ago can seem a distant whisper.

Short of much testimony that Mr. Papon was personally odious — yet so icy that his datebooks for the period refer to hunting and village festivals while neglecting the roundup of Jews — the defendant has labored at constructing a picture of himself as a

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U.S. Coalition Seeks to Relax Cuba Embargo

By Thomas W. Lippman
Washington Post Service

WASHINGTON — An unusual coalition of business groups, corporate executives, religious organizations, lobbyists, members of Congress and prominent former U.S. officials are calling for a relaxation of the U.S. embargo on trade with Cuba to permit the sale of food and medical supplies.

Calling itself "Americans for Humanitarian Trade With Cuba," the group was organized by the U.S. Chamber of Commerce, one of the most influential business organizations in the country.

In a news conference Tuesday at the chamber's headquarters here, Willard Workman, its international vice president, pledged to run a "grass-roots campaign" to enlist support for legislation introduced in both houses of Congress last year to modify the trade ban.

He and other Chamber of Commerce officials said they timed the news conference to take advantage of the at-

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The Dollar

New York	Wednesday @ 4 P.M.	previous close
DM	1.8225	1.8199
Pound	1.6295	1.6337
Yen	130.985	131.63
FF	6.1025	6.0935

The Dow

change	Wednesday close	previous close
+52.56	7784.69	7732.13

S&P 500

change	Wednesday @ 4 P.M.	previous close
+5.8	957.92	952.12

Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	£ 1.00	Nigeria	12600 Naira
Denmark	14.00 DKr	Oman	1.250 OR
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Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$40.00

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Intimations of Immortality?

Chemical Increases Life Span of Human Cells

By Rick Weiss
Washington Post Service

WASHINGTON — Scientists for the first time have used a natural chemical to increase the life spans of human cells dramatically in laboratory dishes and perhaps make them immortal, prompting a flood of speculation about the potential for slowing aging and extending human life.

The work provides long-awaited proof that an unusual chemical found in young cells provides key protection against cellular aging. The chemical is not normally present in adult cells. But when the scientists provided it to aging cells, the cells regained — and have continued to maintain — their youthful vigor.

"We found that biological aging can be put on hold," said Jerry Shay of the University of Texas Southwestern Medical Center, who with colleagues there and at Geron Corp., a California biotechnology company, released their results Tuesday.

But other scientists were quick to urge caution. Several said there was a big difference between getting laboratory cells to divide forever and getting a person's body to live longer. Indeed, some noted, cellular immortality has a bad name in medicine: It's called cancer.

"It's very interesting and it's impressive, and it's a nice piece of science," said Raj Sohal, a professor at Southern Methodist University in Dallas. "But to go from there to saying that this may help prolong life is a total leap of faith."

Even critics agreed, however, that the work would prove useful in research labs and in the biotechnology and pharmaceutical industries, where huge amounts of time and money are spent replenishing batches of cultured cells. Those cells are needed for basic genetics studies and to produce genetically engineered drugs and vaccines. It would be helpful, researchers said, if those products could be made in cell lines that were engineered to live for years, or forever.

Moreover, the work could also lead to the development of drugs that speed, rather than slow, cell death, which may be effective against cancer. And while unlikely to offer a cure for aging, the findings could lead to better treatments for a variety of diseases.

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Mike Fiala/The Associated Press

IN HOT WATER — The Chinese swimmer Wang Luna grimacing after she finished last in a world championships B final. She and three teammates were suspended Wednesday after failing drug tests. Page 20.

EU Said to Lose Appeal on Beef Hormones

GENEVA (Reuters) — A World Trade Organization appeals body has found that the European Union is breaking global trading rules with its ban on imports of hormone-treated beef, sources said Wednesday. The three experts — in a report to be issued on Friday — ruled that Brussels had failed to provide an assessment of the health risk from eating beef from cattle treated with growth hormones that could reasonably justify the ban. But the three trade and legal experts also found that aspects of an original WTO panel ruling against Brussels were flawed.

Related article, Page 5.

AGENDA

Israelis Set Out 'Vital Interests'

The Israeli government adopted sweeping guidelines Wednesday on what Israel would regard as "vital interests" in any future negotiations on the West Bank, ranging from "security zones" to its east and west to Jewish settlements, roads and areas around Jerusalem.

But the cabinet set out only general principles rather than defined areas. Ministers said the broad approach gave Prime Minister Benjamin Netanyahu more maneuvering room in his impending meeting with President Bill Clinton.

U.S. officials, meanwhile, said they were "taken by surprise" by the Israeli cabinet's decision to hold onto large tracts of the West Bank under any peace deal. Page 4.

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The IHT on-line www.iht.com

Quebec's Misery / **100-Year-Old Maple Trees Snap**

Where Winter Can Be Brutal, an Ice Storm to Remember

By Anthony DePalma
New York Times Service

ST. PAUL D'ABBOTSFORD, Quebec — Proud families that have farmed here for four, five or six generations are struggling without heat, electricity or water. But what they most worry about are the trees.

Trees like the tall pines planted 55 years ago by John Gibb's grandfather that now lie on their sides across his front yard. Trees like the delicate McIntosh apple trees in Gregg Thomson's orchard, with buds that are suffocating under 10 centimeters (4 inches) of ice.

And trees like the wizened sugar maples that have kept Claude Chagnon sleepless as they snapped and split on the hillside behind his house, just days before he had planned to tap them.

"Every one of these trees, I know them; every one I tapped personally," said Mr. Chagnon, 57, a hardy Quebecker like many others in this area whose lives are tied to the land that was so devastated by last week's ice storms. Now he cannot look at the damaged maples without turning his back so that strangers cannot see him cry.

"What I see here now is just a small maple that will take 25 years to start producing, 50 years before it is producing well," he said.

Some of the trees were over 100 years old. He walked over to a skinny maple near the edge of the grove that he had taken special pains to nurture and protect, carrying out dead wood by hand instead of using a tractor, which might hurt the tree. It was broken in two.

"I'm not the type to get discouraged," Mr. Chagnon said. "But it's very difficult."

TREACHEROUS ice storms that knocked out power across Quebec and eastern Ontario have disrupted the lives of more than 3 million people. Power has been restored to much of Montreal, Ottawa and other urban areas, although sporadic power cuts still occur.

But more than a million people in this rural region south of Montreal have been told not to expect to have electricity for two or three more weeks.

"The black triangle" is what utility companies now call the area that stretches roughly from the St. Lawrence River southeast about 70 kilometers (45 miles) to Granby and from there about 30 kilometers north to Ste.-Hyacinthe.

The damage here is on an entirely different scale from what was experienced in Montreal. Utility poles are snapped in two about 3 meters off the ground, and fallen transformers leak green fluids onto the thick layer of ice that smothers everything. High-intensity steel pylons lie like twisted giants in a long line across frozen fields, their wires splayed out over the landscape.

The rural communities around here remain dark and quiet except for the occasional hum of a gasoline generator or the roar of one of the hundreds of Canadian armed forces trucks that have been deployed to provide help.

Canadians are used to winter, but Canadian cold, while it can be brutal, is usually predictable. Meteorologists say the successive ice storms that pounded the area for five days last week were a rare phenomenon. And it was not the cold that caused the initial damage, but warm air in higher altitudes that produced the rain that froze as it hit the ground.

"The weather really doesn't bother us, unless you have rheumatism," said John Gibb, 51, a retired farmer whose family has been here for six generations. "It's the extremes that get us. Maple trees just are not meant to have 4 inches of ice all over them."

MAPLE TREES are far more than ornament here. Many people make their living by tapping the hard maples on the hillsides, and cooking the sap to make maple syrup. In this part of Canada, they call a stand of maples a "sugar bush." After the ice storms, there is hardly a sugar bush intact.

"My father spent a couple of nights of hell lying in bed listening to the trees breaking," said Jocelyn Cagnon, 31, who works in the sugar-bush operation run by his father, Claude.

"Every 20 seconds or so there was a big sound like thunder, and just by the sound you could know exactly what was happening with the trees."

Mr. Cagnon's father said he had just about completed preparations to put in 12,000 maple taps when the storm hit. The blue plastic tubes that collect the sap when it starts running in February are now buried under several feet of fallen branches.

"This area here is a 100 percent loss," Mr. Cagnon said. Farther up the hill behind him he thought there might be some trees that could still produce, but he was not sure.

"I've never seen anything like this before," he said, "so I can't give you an estimate."

Whatever the outcome, he said he would be on his own dealing with the consequences.

"There's no insurance for a sugar bush," Mr. Cagnon said.

The Quebec government has offered to give each person affected by the storm $45 a week to buy food and firewood, but Mr. Chagnon said he had never been "a beggar for subsidies."

Christopher Morris/The New York Times

Buds on Gregg Thomson's 25,000 apple trees are suffocating under the ice, and many of the trees were damaged by the freezing rain. Mr. Thomson, inspecting his property with his son, Matthew, said he "shed a couple of tears" over the loss. He said it would take years to recover.

The power lines in front of his house have fallen, and his house, like about 80 percent of houses in Quebec, relies on electricity for heat. But he has hooked up his tractor to a generator and has enough heat not only for himself but for his son Jocelyn and Jocelyn's family.

Not everyone in the "black triangle" has a family as self-sufficient as Mr. Chagnon's. In Ste.-Hyacinthe, about 30 kilometers away, more than 1,500 people are living in two shelters.

BUT LEAVING home can be a wrenching decision, even if it means just moving across the road, as Gregg Thomson did last week when the temperature in his 100-year-old farmhouse dropped to dangerously low levels.

He moved in with his parents, who have a wood furnace. But he keeps returning to check on his house. His mind is also filled with the realization that many of his 25,000 apple trees have been damaged and that it will take years to recover.

"I shed a couple of tears," said Mr. Thomson, a burly man with a beard and a soft voice who admits that the frustration sometimes overwhelms him and his family.

Over the weekend there was a brief warm spell, and some of the ice started to melt and slip off the metal roofs. Mr. Thomson stopped worrying about the trees for a while and challenged his 8-year-old son, Matthew, to a game of shinny, an informal version of Canada's national pastime.

"After we played hockey, I asked Matthew how he felt about what had happened around here," Mr. Thomson said, putting a hand on Matthew's shoulder. "He said he was sad that the trees were damaged. But he knew they would come back."

Governor Calls Army to Arrest Chiapas Police

By Julia Preston
New York Times Service

OCOSINGO, Mexico — The governor of Chiapas state has called in army troops to arrest 29 police officers who opened fire on an anti-government protest this week, leaving one Indian protester dead.

The shooting death of Guadalupe Lopez Mendez, a 38-year-old Tzeltal Indian, has caused a new crisis for the government of the southern state while the country is still anguishing over the massacre of 45 Indians by pro-government gunmen in Chiapas in December.

The latest incident — in which Mrs. Lopez Mendez's 2-year-old daughter and an Indian youth were wounded — was captured in stunning close-up footage by television cameramen.

The footage showed vividly how the state police officers panicked when they were showered with rocks by the protesters and began firing wildly, first in the air and then into the crowd.

Mrs. Lopez was standing in bushes to one side holding her child straddled across her chest and was not throwing rocks. A bullet struck her in the heart, doctors said.

Governor Roberto Albores Guillen took over just six days ago, after his predecessor was forced out by President Ernesto Zedillo for failing to stem the rising violence in Chiapas.

Struggling to assert his control, Mr. Albores ordered the arrest of the police officers Monday night immediately after Mrs. Lopez died. He said that the entire police battalion would be punished and that the shooters would be tried for homicide.

"The police are here to serve, not to attack," he said. "Under no circumstances are they authorized to commit this sort of act."

Hostility between anti-government Indians and the security forces has been building in the weeks since the December massacres as Mr. Zedillo has ordered the army and police to sweep through Indian villages searching for illegal weapons.

Over the weekend, the former head of security for Chiapas state, Jorge Gamboa Solis, resigned. Prosecutors are investigating to determine whether he tried to conceal the complicity of some state policemen in the December massacre.

South African Court to Review Pardons

By Suzanne Daley
New York Times Service

JOHANNESBURG — Acknowledging that it may have gone far outside the law in granting a blanket amnesty to top officials of the South African government, the Truth and Reconciliation Commission has decided to submit its decision to a court for review.

The amnesty, granted last month to 37 leaders of the African National Congress, including Deputy President Thabo Mbeki, immediately drew fire from members of the nation's other political parties, who said the decision was an indication of the commission's bias.

They pointed out that the amnesty was unlike any other issued by the commission. The applicants had never been called on to explain themselves in public, nor had they confessed to any individual human rights violations. Yet, they were granted an amnesty that protected them from all criminal and civil liability.

In granting the amnesty, the commission also veered from its usual format by failing to publicly explain its decision.

Those granted amnesty included five cabinet officials and several deputy ministers, some of whom were key players in the ANC's anti-apartheid guerrilla activities.

In announcing the panel's decision Tuesday to submit the amnesties for review, Archbishop Desmond Tutu, chairman of the Truth and Reconciliation Committee, said the commissioners had voted unanimously to turn to the courts and would abide by whatever decision was handed down.

"We have carefully considered our own concerns in this regard, together with an appreciation of the clear public interest that exists," the archbishop said.

Amnesties are granted by an independent subcommittee of the commission, which does not consult with commissioners in making its decisions. But the guidelines for amnesty dictate that applicants must confess all and must demonstrate that they had a legitimate political motive for their actions.

Shortly after the ruling, the commission consulted with a noted constitutional attorney, Wim Trengrove, to get an opinion on whether their actions were legal. Mr. Trengrove said the granting of the amnesties did not appear to meet the requirements of the law.

The incident is particularly embarrassing for the commission because it often has been called biased. Whites, in particular, have said the commission is engaged in a "witch hunt" of the former white supremacist government.

TRAVEL UPDATE

Aid for Egypt Tourism

CAIRO (AFP) — Arab tourism ministers pledged Wednesday that 1998 would be the year of Arab tourism in Egypt, where the industry has been devastated after the massacre in Luxor of 58 Western and Asian tourists by Islamic militants in November.

The tourism ministers of Egypt, Jordan, Syria, Bahrain, Sudan, Libya, Lebanon and Yemen offered support at a meeting at the headquarters of the Arab League. Representatives of Sudan and Yemen pledged to organize tours to Egypt. Egypt said more than 30 percent of visitors were from Arab countries.

French Transit Is Hit

LYON, France (AP) — A strike by transportation workers ahead of talks on pay and security concerns stranded commuters Wednesday in several French cities.

In Lyon, one bus in five was running and nearly half the subway service was cut. There was no bus or tram service in Strasbourg, and 30 percent of buses ran in Nancy, France Info radio reported.

Correction

A New York Times report from Jerusalem in editions Tuesday on Israeli terms for a West Bank withdrawal incorrectly reported that the conditions adopted by the Israeli cabinet were not in a "note for the record" signed by the former U.S. Secretary of State Warren Christopher. Mr. Christopher signed a letter appended to the protocol on Israeli withdrawal from most of Hebron. The "note for the record" was prepared by Dennis Ross, the American mediator for the Middle East, and it included several undertakings by Israelis and Palestinians designed to move the peace process forward.

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Soldeu	25	70	Good	Open	Pwdr	14/1	new snow on good base
Austria							
Ischgl	25	120	Good	Open	Pckd	6/1	all lifts open, good skiing overall
Kitzbuhel	5	75	Fair	Some	heavy	6/1	53/60 lifts open, upper slopes ok
Lech	60	80	good	Icy	Var	6/1	all lifts open, generally good
Mayrhofen	0	65	Fair	Closed	Var	5/1	highest pistes best, all lifts open
Obergurgl	80	140	Good	Open	Var	7/1	all lifts open, good skiing continues
Saalbach	30	80	Fair	Open	Var	6/1	N. facing slopes holding best snow
St. Anton	35	210	Good	Open	Var	6/1	all 32 lifts op., mid/upper runs good
Canada							
Lake Louise	75	124	Good	Open	Pckd	13/1	all lifts open, good skiing but cold
Whistler	80	200	Good	Open	Pckd	13/1	everything open, great skiing
France							
Alpe d'Huez	65	180	Fair	Open	crusty	14/1	72/88 lifts o., g. skiing on many runs
Les Arcs	50	180	Good	Open	Var	14/1	67/77 lifts o., good above 2000m
Avoriaz	80	100	Good	Open	Var	6/1	all lifts open, best above 2000m
Chamonix	25	160	Fair	Some	Var	6/1	45/49 lifts open, north slopes best
Courchevel	75	80	Fair	Open	Var	14/1	65/68 lifts and 84/100 pistes open
Les Deux Alpes	40	180	Fair	Icy	Var	14/1	strong winds at altitude
Flaine	45	140	Fair	Open	Var	14/1	most pistes ok, some worn spots
Megeve	0	75	Fair	Closed	Var	6/1	67/81 lifts open, upper runs still ok
Méribel	40	85	Fair	Open	heavy	14/1	good skiing upper slopes
La Plagne	80	210	Fair	Open	Var	14/1	dusting of new snow: mostly good
Serre Chevalier	75	210	Good	Open	Var	13/1	63/67 lifts o., plenty of good skiing
La Tania	15	75	Fair	Art	Var	14/1	66/68 lifts open, good above 1800m
Tignes	80	190	Good	Open	Var	14/1	odd worn patch but most runs good
Val d'Isère	75	160	Fair	Open	Var	14/1	good but snow hardpacked
Val Thorens	100	170	Good	Open	Var	14/1	mixed visibility, good snow overall
Germany							
Garmisch	0	185	Good	Closed	Var	7/1	31/33 lifts open, good skiing
Italy							
Bormio	40	180	Good	Art	Var	4/1	all 16 lifts and 40/50km open
Cervinia	70	200	Good	Open	Var	8/1	excellent skiing in all areas
Cortina	25	110	good	Icy	Var	4/1	38/39 lifts o., all but low runs good
Courmayeur	20	60	Fair	Some	Pwdr	14/1	new snow on worn base. 23/25 lifts o.
Livigno	60	135	Good	Open	Var	6/1	all 30 lifts open, generally excellent
M. di Campiglio	100	250	Good	Open	Var	4/1	all 26 lifts open, very good skiing
Madesimo	100	330	Good	Open	Var	5/1	all 16 lifts open, odd icy/worn spot
Selva	50	120	Good	Open	Var	6/1	all lifts, runs and sella ronda open
Norway							
Geilo	60	65	Fair	Open	heavy	8/1	all 18 lifts o., reasonably good skiing
Switzerland							
Crans Montana	5	145	Fair	worn	heavy	6/1	36/41 lifts open, good above 2000m
Davos	45	110	Good	Open	Var	6/1	everything open, low level worn out
Klosters	25	110	Good	Open	Var	6/1	29 lifts open, mostly good skiing
Murren	30	60	Fair	worn	varied	6/1	all 12 lifts open, berg/schilthorn best
Saas Fee	45	175	good	rocky	Var	6/1	23/25 lifts o. all but home runs good
St. Moritz	60	100	Good	Open	Var	6/1	all lifts o. generally very good skiing
Verbier	10	160	good	worn	varied	6/1	33/37 lifts open, snow forecast
Wengen	10	40	Fair	Closed	Var	6/1	most lifts open, best above 1600m
Zermatt	20	90	Good	Art	Var	8/1	71/73 lifts open in the area
U.S.							
Aspen	65	80	Good	Open	Pckd	13/1	71/77 trails open: 5cm new snow
Breckenridge	95	107	Good	Open	Pckd	11/1	109/138 trails and 17/21 lifts open
Crested Butte	105	135	Good	Open	Pwdr	13/1	20cm fresh powder: great skiing
Mammoth	210	240	Good	Open	Pckd	5/1	25/29 lifts and all 150 trails open
Park City	125	185	Good	Open	Pwdr	13/1	35cm fresh powder: great skiing
Vail	90	95	Good	Open	Pwdr	13/1	110/174 trails o.: good on open runs.
Winter Park	125	155	Good	Open	Pwdr	13/1	113/121 trails, 17 lifts o.: new snow

Key: L, U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art. Artificial snow. *Reports supplied by the Ski Club of Great Britain*

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

North America
Heavy rain and high winds are an increasing likelihood for the Pacific Northwest. Flight delays are likely for Vancouver. Seattle and Portland over the weekend. Heavy snow is also likely for the northeast quarter of the nation. Expect delays into Boston and New York.

Europe
More storms are forecast over the weekend for the United Kingdom. Delays are likely on flights in and out of London. A slow-moving storm will also be bringing rain and gusty winds to the eastern Mediterranean. Flight delays are likely for Athens and Istanbul.

Asia
Rain and snow will be exiting Japan on Friday. There may be minor delays in and out of Tokyo. But across most of the remainder of Asia, no major travel delays are forecast. Eastern China and Korea will be rather cold. Clouds, rain and drizzle will dampen Hong Kong.

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Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	16/59	7/44 pc	16/61	11/52 pc
Amsterdam	8/46	6/43 sn	8/46	1/34 sh
Ankara	5/41	-2/29 c	7/44	-2/29 c
Athens	14/57	10/50 c	13/55	10/50 c
Barcelona	11/52	5/41 pc	12/53	3/37 r
Belgrade	9/48	5/41 c	11/52	5/41 sh
Berlin	4/39	3/37 pc	8/46	1/34 sh
Brussels	8/46	7/44 sn	8/46	0/32 sh
Budapest	6/43	4/39 sh	7/44	4/39 r
Copenhagen	4/39	3/37 c	6/43	2/35 sn
Costa Del Sol	15/59	7/44 pc	17/62	9/48 pc
Dublin	8/46	6/43 r	8/46	1/34 c
Edinburgh	7/44	4/39 sh	5/41	-3/27 sh
Florence	11/52	4/39 pc	9/48	4/39 pc
Frankfurt	4/39	1/34 pc	8/46	2/35 c
Geneva	4/39	0/32 pc	5/41	-2/29 sn
Helsinki	2/35	-2/29 sn	1/34	-1/31 sn
Istanbul	12/53	8/46 s	12/53	8/46 c
Kiev	1/34	-1/31 sf	3/37	0/32 sh
Las Palmas	24/75	18/64 s	24/75	18/64 s
Lisbon	12/53	9/48 pc	14/57	10/50 c
London	12/53	6/43 pc	8/46	-1/31 pc
Madrid	7/44	4/39 sh	13/55	1/34 pc
Mallorca	12/53	3/37 pc	14/57	4/39 c
Milan	7/44	0/32 c	6/43	-1/31 sh
Moscow	-3/27	-6/22 c	-1/31	-4/25 c
Munich	3/37	-1/31 c	8/46	-2/29 pc
Nice	13/56	6/43 pc	13/56	5/41 c
Oslo	3/37	-1/31 sn	3/37	-2/29 sn
Paris	7/44	6/43 i	6/43	-2/29 c
Prague	3/37	-1/31 pc	8/46	0/32 c
Reykjavik	-5/24	-13/9 sn	-9/16	-10/15 pc
Riga	4/39	0/32 sh	3/37	2/35 c
Rome	13/55	5/41 s	14/57	4/39 pc
St. Petersburg	3/37	-2/29 i	2/35	-2/29 sn
Stockholm	5/41	1/34 sh	4/39	1/34 sh
Strasbourg	5/41	3/37 c	6/46	1/34 r
Tallinn	4/39	1/34 sh	2/35	1/34 sn
Tbilisi	9/48	-3/27 c	6/43	-4/25 pc
Venice	9/48	2/35 sh	8/46	1/34 pc
Vienna	6/43	2/35 sh	9/48	3/37 pc
Warsaw	6/43	-1/31 c	6/43	2/35 c
Zurich	3/37	1/34 pc	6/43	-1/31 r

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	20/68	12/53 s	19/66	9/48 s
Beirut	17/62	12/53 pc	18/64	12/53 pc
Cairo	18/64	11/52 s	21/70	10/50 s
Damascus	10/50	4/39 pc	14/57	4/39 pc
Jerusalem	12/53	2/35 s	13/55	4/39 s
Luxor	22/71	4/39 s	24/75	6/43 s
Riyadh	13/56	5/41 s	19/66	4/39 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	-6/22	-9/16 sn	-5/24	-11/13 sf
Atlanta	11/52	3/37 r	8/48	1/34 pc
Boston	0/32	-2/29 sn	0/32	-1/31 sn
Chicago	-1/31	-7/20 pc	2/35	-4/25 c
Dallas	11/52	2/35 s	20/68	4/39 s
Denver	9/48	-2/29 pc	14/57	-3/27 pc
Detroit	-1/31	-6/22 sf	1/34	-5/24 c
Honolulu	26/79	20/68 s	29/84	22/71 pc
Houston	16/61	6/43 pc	20/68	7/44 s
Los Angeles	19/66	11/52 pc	22/71	9/48 pc
Miami	27/80	19/66 pc	24/75	14/57 sh
Minneapolis	-4/25	-9/16 pc	0/32	-6/22 sf
Montreal	-8/18	-16/4 c	-3/27	-10/15 sf
Nassau	27/80	21/70 pc	27/80	18/64 sh
New York	1/34	0/32 sn	2/35	-3/27 i
Orlando	24/75	14/57 t	21/70	8/46 pc
Phoenix	20/68	8/46 s	21/70	9/48 pc
San Fran.	14/57	10/50 r	13/55	7/44 r
Seattle	9/48	6/43 sh	8/46	3/37 sh
Toronto	-4/25	-11/13 sn	-1/31	-9/18 pc
Vancouver	6/43	3/37 sh	3/37	-2/29 sh
Washington	2/35	0/32 i	3/37	-1/31 c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather.

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	-6/22	-14/7 sn	-2/29	-11/13 pc
Bali	33/91	23/73 r	34/93	23/73 pc
Bangkok	34/93	21/70 s	32/89	21/70 s
Beijing	-3/27	-12/11 pc	-4/25	-6/22 sn
Bombay	29/84	16/61 s	28/82	14/57 s
Calcutta	27/80	14/57 s	27/80	15/59 s
Chiang Mai	31/88	13/55 s	31/88	13/55 s
Colombo	29/84	21/70 pc	29/84	21/70 s
Hanoi	19/66	17/62 pc	25/77	19/66 s
Ho Chi Minh	36/97	23/73 s	34/93	23/73 s
Hong Kong	17/62	14/57 pc	21/70	19/66 c
Islamabad	13/55	-2/29 pc	14/57	-1/31 s
Jakarta	31/88	24/75 pc	29/84	24/75 r
Karachi	21/70	3/37 s	20/68	4/39 s
K. Lumpur	32/89	23/73 r	33/91	24/75 pc
K. Kinabalu	31/88	24/75 pc	30/86	24/75 pc
Manila	31/88	22/71 c	31/88	22/71 pc
New Delhi	22/71	-2/29 s	18/64	1/34 s
Phnom Penh	33/91	23/73 pc	33/91	23/73 s
Phuket	34/93	21/70 s	32/89	21/70 s
Rangoon	31/88	16/61 s	32/89	17/62 s
Seoul	0/32	-8/18 c	-1/31	-7/20 pc
Shanghai	8/46	3/37 sh	8/46	8/46 r
Singapore	29/84	24/75 pc	29/84	24/75 pc
Taipei	20/68	13/55 sh	20/68	18/64 sh
Tokyo	13/55	11/52 r	11/52	3/37 pc
Vientiane	31/88	15/59 pc	31/88	15/59 s

Africa

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algiers	11/52	4/39 c	14/57	6/43 pc
Cape Town	27/80	14/57 s	26/79	14/57 pc
Casablanca	20/68	9/48 s	19/66	9/48 s
Harare	26/79	12/53 pc	26/79	10/50 sh
Lagos	32/89	22/71 s	32/89	23/73 s
Nairobi	23/73	16/61 r	28/82	13/55 c
Tunis	12/53	6/43 pc	14/57	7/44 pc

Latin America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Buenos Aires	28/82	16/61 pc	28/82	21/70 pc
Caracas	27/80	18/61 s	26/79	17/62 s
Lima	29/84	22/71 sh	27/80	22/71 sh
Mexico City	21/70	4/39 pc	18/64	6/43 c
Rio de Janeiro	29/84	23/73 pc	29/84	23/73 pc
Santiago	33/91	12/53 s	29/84	11/52 s

Oceania

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Auckland	23/73	14/57 s	20/68	15/59 sh
Sydney	29/84	18/64 pc	23/73	16/61 pc

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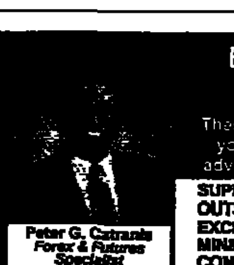

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هكذا من الأهل

Glenn Wants to Show He Still Has the Right Stuff

By Kathy Sawyer
Washington Post Service

WASHINGTON — Astronauts in space and elderly people on the ground have a lot in common: Both suffer from dizzy spells, weakened bones and muscle, lowered immunity, disturbed sleep and blood flow problems.

So why not send an old, bold astronaut into orbit as a guinea pig for medical research? At 76, Senator John Glenn has volunteered for the job and, by all accounts, has pressed his campaign to fly aboard a space shuttle with the same unrelenting determination the Ohio Democrat showed years ago as a fighter pilot and hero of the "Right Stuff."

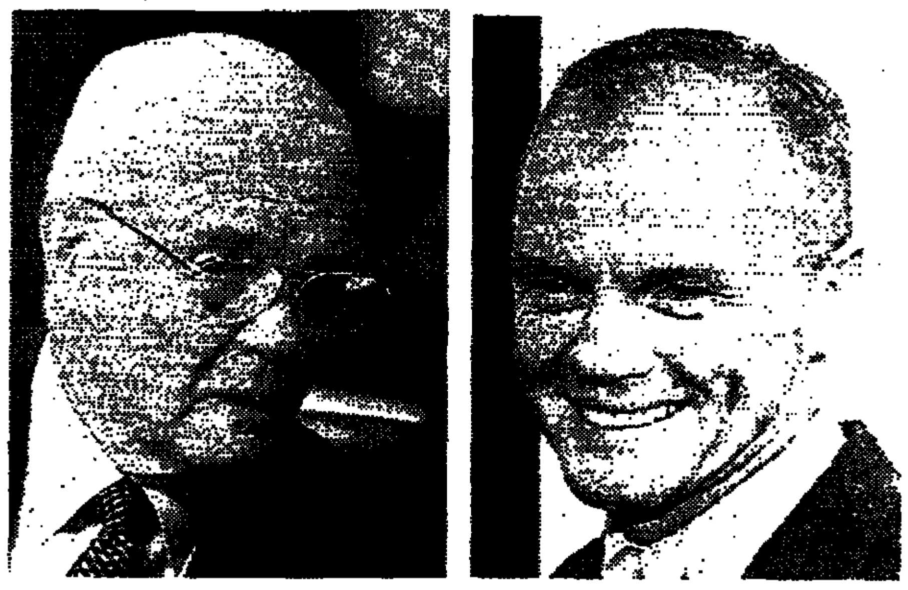
The NASA administrator, Daniel Goldin, has been pondering the decision for months and, sources say, likes the idea but will not give the go ahead without a solid rationale. An agency spokeswoman, Peggy Wilhide, said there was no deadline for a decision. Officials and scientists at the space agency have declined to discuss the decision-making process, but some privately express the fear that sending Mr. Glenn would be derided as a stunt.

Politically, the exercise is extremely sensitive. "A high pucker factor," said one source. Mr. Glenn is not only a historic figure — the first American to orbit the Earth — but a sitting senator who last summer earned the gratitude of the White House when he ran aggressive interference for the president during Republican-led investigations into alleged White House fund-raising scandals. This makes him a hero all over again in some quarters, but it has prompted some of those who hold contrary views to oppose Mr. Glenn's return to space.

"I think he's just so embarrassed with his performance in the hearings that he wants to become a hero again," said a Cleveland man, one of about a half-dozen who called the political affairs television network C-SPAN this week to complain about the senator's ambitions.

A White House science official said the decision to allow Mr. Glenn back into space was Mr. Goldin's alone.

"It has the aura of political favoritism," said John Logsdon, a space policy analyst at George Washington University. "But John Glenn is special. He's a trained pilot, in the physical condition of a man 30 years younger, he's had all the experience and discipline of a test pilot and astronaut. There is no reason to rule him out as a shuttle passenger."



Senator John Glenn at a hearing last year and in 1962, after he orbited the Earth.

Mr. Glenn, who plans to retire from the Senate next year, has declined recently to give interviews about his bid to leave the planet. Capitol Hill sources say this is to avoid the appearance that he is exerting undue pressure. But he was talkative on the subject up through summer.

"I have wanted to go back up into space again for the last 25 or 30 years," he told C-SPAN when the Pathfinder landed on Mars in July. "I have been outspoken about it."

Mr. Glenn also has said more than once that he is not interested in a joy ride, that NASA should not send him unless there is a "good scientific reason."

"Senator Glenn is looking forward to a decision," said his spokesman, Jack Sparks. "But he understands that NASA needs to complete their review process."

Some scientists argue there is no scientific justification for flying Mr. Glenn on an orbital mission because, as a representative of the elderly, he would constitute a statistically insignificant sample of one.

Some insiders at the National Aeronautics and Space Administration also are resisting a return to anything resembling the agency's Civilians in Space program, because the concept — designed to increase public support for human space flight — brought such grief in the 1980s. The schoolteacher Christa McAuliffe died along with six other crew members when the shuttle Challenger blew apart shortly after liftoff in January 1986.

For Many Americans, Now There's Nothing but Blue Skies

By Dirk Johnson
New York Times Service

CHICAGO — Lashed by freezing rain and pummeled by gales roaring off Lake Michigan, Henry Hoornweg trudged toward the rattling El train in Chicago's Loop, entitled to feel a bit miserable.

Instead, his eyes were dancing.

"These are wonderful times," said Mr. Hoornweg, a 51-year-old legal secretary, exulting over an American decade that might be called The Good News '90s: anticipated government budget surpluses, falling crime, galactic stock prices, low unemployment and puny interest rates.

To people like Mr. Hoornweg and his wife, a nurse, the national economic numbers translate into real personal gain: "We're buying a house for the first time — four bedrooms, three bathrooms, out in the suburbs," said Mr. Hoornweg. "When working folk like us can live like that, it says something."

To be sure, not everyone is riding the train to Blissville. In so many burned-out, dispirited urban pockets unknown to most prosperous Americans, sirens still wail and gunshots ring. Many blue-collar workers feel threatened by a market that smiles on companies that cut wages and workers.

And while experts warn that the good times will not last forever, on balance, Americans see an economy that is humming, judging from dozens of interviews, from San Francisco to Boston, from South Dakota to New York, and here in the capital of America's industrial and agricultural heartland.

Looking for a new job recently, Jennifer Thomas, a 26-year-old Chicago office worker, needed less than a month to find a better position, and promises of advancement, a triumph for a woman without a college degree and a background that was scarcely affluent.

"I felt pretty dismal in high school, assuming that I would be stuck in the same lower-middle-class life I grew up in — and that the only way out was to get married young and depend on a man," said Ms. Thomas, who is single. "But now, there are so many opportunities out there. It's especially great for independent women."

'You are healthy, handsome, you have jobs, nice houses, nice cars and money. So why are you all taking depression pills?'

Ms. Thomas said she was making enough money to lead a life she once thought out of reach: an apartment of her own, and enough spare income to travel a bit, and dine out at trendy restaurants.

"Today," she said, "I was calling around for tickets to 'Rent,'" a play that charges up to $67 a seat, "and tonight I'm going shopping."

Views about the general U.S. economy tended to follow the same trajectory as personal economic circumstances. Not surprisingly, people who have found new jobs, bought big houses and earned big raises saw nothing but blue skies from now on. But those struggling to survive saw little relevance in the government statistics, other than a familiar pattern of the rich getting richer.

Edna Juette, for one, a 52-year-old personnel department clerk, weary after a hard day's work, heading home to a West Side neighborhood that is thick with gangs, said she had noticed little improvement in her life.

"My salary's not going up," she said, "but my rent is. They say crime is down. But there's still plenty of shooting in my neighborhood. And drugs, they're everywhere."

When it comes to government surpluses, people are predictably split about what to do with the extra money: cut taxes, promote more social programs, or reduce the $5 trillion national debt.

In true American spirit, of course, some people say they would like to do all three.

But if liberals and conservatives, and those in between, agree on anything, it is a lack of faith in Washington to wisely use the windfall.

"They're already fighting over it like a bunch of hyenas," said Fred Kawas, 59, who runs a grocery store in San Francisco. "They'll find a way to spend it, and it'll probably be to bail out Indonesia or Korea or somebody."

President Bill Clinton gets a 62 percent approval rating for his handling of the economy in most polls, but many people said the credit for the prosperity goes in many directions, to Mr. Clinton and Alan Greenspan, the Chairman of the Federal Reserve Board, to technological advances, and to a growing sense of personal responsibility.

Doin Cummings, a 26-year-old statistical analyst who grew up the son of a janitor in a rough-at-the-edges South Side Chicago neighborhood, said that the credit had to go to people pulling the weight.

"I grew up lower middle class, and now I guess I'm middle-middle class," said Mr. Cummings, who plans to marry soon and take a wedding trip to the Virgin Islands.

Ms. Thomas, the young woman who has tasted prosperity after growing up without much agreed, saying, "Are the good times going to continue? For me, they will."

Whatever the state of the economy, many of those interviewed said there should be more to America's health than money.

In suburban Atlanta, Joan Rasputin said she could not see how life was getting any better, only more expensive. But more than that, she lamented that whatever the size of the nation's economy these days, its spirit seemed to have taken a beating.

"There are no heroes anymore, nobody to tell my children about," said Ms. Rasputin, an artist. "In sports, all we see is people who bite off somebody's ear or beat up their coach."

America's reputed moral decay comes up in almost any conversation about the future of the country. It is difficult to find anyone over age 30 who does not complain about a youth culture — too many drugs, too many videos, too many possessions — that they believe is morally slack.

But Marty Shanahan, a 47-year-old certified public accountant in Riverside, a Chicago suburb, said people who shudder at the private peccadillos of politicians should look back to history. And he said that people his age could hardly throw any stones at the excesses of young people.

"I lived in the '60s and '70s," he said, with a sheepish wince. "I think the moral fiber today is better than it was then."

To Frank Schwerin, a 58-year-old Chicago lawyer, there is simply too much anxiety in American life, even among the prosperous, who seem to be chasing goals that appear unattainable.

"The average work month is something like 20 hours more than it was a generation ago," he said. "Everywhere you look, both parents are working, usually because they think they need to."

What has happened, Mr. Schwerin surmised, is that people now have more money than time, and that means more stress.

"There are more activities than ever, especially where kids are involved," he said. "It's just getting harder to keep up."

Renata Kocho, a 32-year-old bank teller who moved to Chicago from the former Soviet Union six years ago, said she, too, was struck by the "busy, busy, everybody busy" nature of life in America. She questioned why Americans worry about money, when they seem, at least by comparison to the people of her home in the Republic of Georgia, to have so much.

She said she looks at Americans and often thinks: "You are healthy, handsome, you have jobs, nice houses, nice cars, money in the bank."

And then she paused, with a puzzled expression. "So why are you all taking depression pills?"

But to other Americans, the emergence of anti-depressants is simply one more indication of a nation conquering its problems, reflecting a belief that life is good.

Even Mr. Schwerin, the lawyer who voiced concerns about the focus on economic prosperity, noted that if affluence did not mean nirvana, it certainly was better than a stick in the eye. "Money may not buy happiness," he said. "But lack of money buys a lot of unhappiness."

POLITICAL NOTES

Au Pair Program Threatened

WASHINGTON — Citing the Louise Woodward case, a Georgia Republican said Tuesday that he would introduce legislation to abolish the nation's au pair program as soon as Congress reconvenes this month.

Representative Bob Barr called the program run by the U.S. Information Agency a "waste of tax-payer dollars to provide a handful of families with cheap live-in servants that frequently receive little or no training in caring for children."

Ms. Woodward, a 19-year-old British au pair, was convicted by a jury Oct. 30 of second-degree murder in the death of Matthew Eappen of Newton, Massachusetts, an 8-month-old in her care. A judge reduced the conviction to manslaughter and sentenced her to time served — 279 days.

The au pair program lets foreign girls come to the United States to live with American families and perform domestic work and child care. About 13,000 young people, mostly European women, participate every year. They are paid $115 weekly and receive food and lodging.

Mr. Barr's bill, which is still being drafted, would kill the existing program but would not ban the use of au pairs outright. The private organizations that now bring over au pairs under the U.S. Information Agency's oversight could continue to do so. *(AP)*

California Vote Heads for Runoff

SANTA BARBARA, California — With thousands of ballots still uncounted, the battle to replace Representative Walter Capps appeared on Wednesday to be headed toward a runoff on between his widow and a conservative Republican.

Lois Capps, a Democrat, will most likely face a state lawmaker, Tom Bordonaro, in the runoff March 10. Mrs. Capps finished with 62,013 votes, or 45 percent, while Mr. Bordonaro had 40,146 votes, or 29.1 percent.

But Brooks Firestone, another Republican state assemblyman, received 33,957 votes, or 24.6 percent. And about 80 percent of the 12,500 uncounted absentee ballots were from his home turf in Santa Barbara County.

The winner will serve out the remainder of Mr. Capps's term — which ends Jan. 3, 1999 — and automatically becomes the favorite in the race for a two-year term in the House in November. *(AP)*

A Gephardt-Gore Dinner Date

WASHINGTON — They battled for the presidential nomination a decade ago and are most likely to do so again. But Vice President Al Gore and the House minority leader, Dick Gephardt, are breaking bread together for now.

Mr. Gephardt and his wife, Jane, will join Mr. Gore and his wife, Tipper, for dinner Jan. 24 at the Gores' home on the grounds of the U.S. Naval Observatory. The occasion is purely social, a Gephardt spokesman said. *(AP)*

Quote / Unquote

Newt Gingrich, the House speaker, citing the projected surplus in the federal budget and calling it time to talk seriously about overhauling the Social Security system created under Franklin Roosevelt. "I know it takes some courage for elected officials to raise the issue, but I just think we're at the magic moment of transition." *(NYT)*

Away From Politics

• **The number of minority students** who enrolled at the law and business schools of the University of California fell dramatically last autumn as a result of new rules barring the consideration of race in admissions, according to systemwide data just released by the university. The institution's academic graduate programs and medical schools, on the other hand, showed little or no change. *(NYT)*

• **Cigarette smoking and exposure to second-hand smoke** both significantly hasten hardening of the arteries, and the damage may be permanent, a new study suggests. An estimated 30,000 to 60,000 deaths in the United States each year can be attributed to second-hand smoke, wrote the authors, led by an epidemiologist, George Howard, at Wake Forest University in Winston-Salem, North Carolina. *(AP)*

• **Federal Express Corp. will spend $100 million** over the next four years to equip its big cargo jets with the latest in safety systems. FedEx, based in Memphis, Tennessee, said installation of the new equipment would begin this year and include warning systems to help aircraft avoid other planes in the air and keep them from flying into mountains. *(AP)*

• **Black men get prostate cancer more often** than white men and are two to three times more likely to die of it, statistics that the American Cancer Society called "a disgraceful tragedy" as it urged a national attack on the disease. Copying activists who successfully raised millions of dollars to fight breast cancer and AIDS, the cancer society joined with 100 members of the organization Black Men of America to call for an immediate increase in federal prostate-cancer research to help solve the problem. *(AP)*

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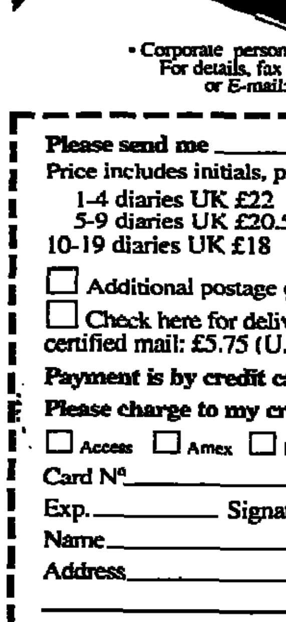

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ASIA/PACIFIC

Cohen Visits Suharto As Fears of Unrest Rise

Talks Focus on Military Ties as U.S. Officials Warn of Destabilization in Economic Crisis

By Steven Lee Myers
New York Times Service

JAKARTA — The U.S. secretary of defense, William Cohen, met Wednesday with President Suharto amid what American officials described as fears that the economic crisis in Indonesia could quickly undermine peace and security throughout Southeast Asia.

Officials here and those traveling with Mr. Cohen on his 12-day tour of Asia expressed concern that Indonesia's economic instability could lead to widespread civil unrest and even, in the worst case, disintegration of a nation with scores of ethnic groups spread over 13,677 islands.

And that, they warned, could send ripples throughout Southeast Asia.

While the economic crisis now has such countries as Malaysia, Thailand and Indonesia looking inward, the officials said a prolonged crisis could revive regional rivalries, as well as lingering hostilities that have been largely dormant while the "tiger" economies flourished.

"You can't have an Indonesia that becomes destabilized without security concerns arising in the region," a senior U.S. official said on the eve of Mr. Cohen's meeting with the Indonesian president.

While much of the Clinton administration's attention has focused on the International Monetary Fund's efforts to shore up Indonesia's economy, Mr. Cohen used his visit to try to expand U.S. military ties. The Pentagon hopes to increase its presence in Indonesia and elsewhere in Southeast Asia through joint exercises and periodic visits by U.S. warships.

Mr. Cohen's meeting, which lasted about 40 minutes, followed one on Tuesday between President Suharto and the deputy secretary of the Treasury, Lawrence Summers, who was sent by President Bill Clinton to persuade the longtime Indonesia ruler to abide by his pledges to the IMF to impose fiscal reforms.

Mr. Cohen said he repeated that message Wednesday and, like Mr. Summers, received assurances that Mr. Suharto intended to do so. But Mr. Cohen's meeting also focused on the broader theme of regional security.

"I am not here as any sort of financial expert," Mr. Cohen said at a news conference after his meeting with Mr. Suharto at his home in Jakarta. "I am here to talk about security issues and ways in which we can expand upon our security relationship."

During his tour of the region, which began in Malaysia and will move on to Singapore and Thailand, Mr. Cohen has sought to build on the United States's presence and strategic relationships in the region, which his aides acknowledged had not received adequate attention in recent years.

Along those lines, Mr. Cohen also announced that the United States and the Philippines had reached a tentative agreement to resume military contacts, which were cut off a year ago when the Philippines removed legal protection for visiting forces.

As for Indonesia, Mr. Cohen and his aides dismissed speculation, rampant only a few days ago, that the military might seek to topple Mr. Suharto, a former general who has served as Indonesia's president for more than three decades.

Instead, the officials said that any threat to Mr. Suharto's rule would very likely come from within — in the form of riots along ethnic or religious lines or of protests in the streets.

In the past, displays of unrest have been met with crackdowns by the military.

A senior U.S. official here also expressed the fear that the economic crisis, if it persisted, could lead to "a rise in Islamic radicalism" in Indonesia, which is predominately Muslim, that could in turn oppose the U.S. presence in the region.

While American officials worry that Mr. Suharto has not put in place any plans for a peaceful succession, Mr. Cohen took pains to avoid any discussion of his future as Indonesia's ruler. He did note, however, that Mr. Suharto, who is 76, raised and dismissed rumors that he was ill.

"And those rumors, he felt, were contributing to the lack of stability in the region," Mr. Cohen said.

Firdia Lisnawati/The Associated Press

Students in Jakarta gathering in front of Parliament on Wednesday to protest President Suharto's leadership.

Dissident Defies Order to Leave China

By Erik Eckholm
New York Times Service

BEIJING — A democracy campaigner who recently called for free labor unions has defied the Ministry of State Security, refusing its demand that he leave China for the United States.

Qin Yongmin, a 45-year-old resident of Wuhan, said security agents instructed a friend last week to tell him he should immediately seek a passport and move to the United States. But in an open letter to the ministry on Wednesday, he said he would not leave.

"I'd rather give up my personal security and even my life to support the final realization of a legal opposition party and free workers' unions," he said in the letter, which was faxed to foreign news organizations.

Mr. Qin has been imprisoned several times since 1970, when he criticized Mao Zedong's Cultural Revolution in a diary. As a figure in the Democracy Wall movement of the late 1970s, he spent eight years in prison in the 1980s, then returned to prison from 1993 to 1995 for pro-democracy activities.

He is one of several longtime democracy advocates who have dared to speak out recently, apparently emboldened after the government released the dissident Wei Jingsheng in November and sent him to the United States.

In public calls for rapid political change and the freeing of prisoners like Wang Dan, a student leader of the Tiananmen Square student movement suppressed in 1989, these advocates seem to be testing the government, feeling where the invisible line of permissibility may be as China seeks closer ties with the United States. Mr. Qin and others have recently fixed on the widespread layoffs of state workers as a ripe issue.

In a telephone interview Wednesday, Mr. Qin said it was his new campaign for independent labor unions that had led to the security agency's implied threat. Mr. Qin was the principal author of a Dec. 20 manifesto calling on workers to organize unions outside Communist Party control, pointing to the government's signing of a United Nations convention guaranteeing the right to free unions.

The government has not yet ratified the global convention, activists note, the convention itself has wide loopholes and in any case Beijing shows no sign of allowing free worker groups.

■ Wei Visits French Parliament

Mr. Wei visited the National Assembly in Paris on Wednesday as part of his campaign to persuade Western governments not to play down human rights concerns in return for trade with China, Reuters reported.

Mr. Wei addressed the assembly's Foreign Affairs Committee and met Laurent Fabius, the chamber's Socialist speaker and a former prime minister.

Mr. Wei's visit "is important for us since he has fought and is fighting for human rights and democracy, and for us this is a very important cause," Mr. Fabius said. "China is a very great country, but the human rights cause is a very great cause."

Hong Kong Says Danger Is Lessening

Flu-Less 2 Weeks Indicate High-Risk Period Is Over

Reuters

HONG KONG — The government of Hong Kong said Wednesday that the high-risk period for avian flu was almost over.

It said no new cases had broken out since the slaughter of 1.4 million poultry two weeks ago and it foresaw the end of high risk from the H5N1 strain of influenza, previously not known to infect humans.

"The government says as long as there are no new cases today, it considers the high-risk period for the bird flu will be over tomorrow," government radio said.

A health department spokesman confirmed that Thursday marked the end of the high-danger period — provided there were no new cases.

"If there are no new cases of infection within the 14 days, that will indicate the main source of infection is under control," he said.

The government said it would continue to monitor the situation in case there were other sources of infection.

The avian virus has killed five people, including two children, and infected a dozen other people.

The latest victim, a 34-year-old woman, was admitted to hospital before the chicken slaughter. She died of pneumonia on Jan. 11.

A World Health Organization expert also said the fact that no new cases had cropped up meant the risk was now low.

"At the moment it is definitely a good sign that we did not have any new cases since 29th December, 1997," Dr. Kiyuchi Morita of the WHO told the Hong Kong government radio.

"But in order to evaluate the effectiveness of the measure, I think, we need to do more epidemiological study," he said.

Thursday will be two weeks to the day that the mass slaughter of chickens was completed. Hong Kong also banned live chicken imports.

The government also said Wednesday that it had decided not to slaughter 60,000 ducks on local farms after tests for the avian flu virus proved negative.

C.C. Yan/Reuters

VERTICAL TRAINING — Soldiers rappelling down a wall during a drill in Tainan, Taiwan. The country is strengthening its armed forces in response to the modernization of China's military.

Manila and U.S. Renew Military Tie

Pact on Joint Exercises Is Initialed

Compiled by Our Staff From Dispatches

JAKARTA — The U.S. defense secretary, William Cohen, said Wednesday that a new military agreement between the United States and the Philippines would open the way for a resumption of joint exercises and visits by American warships.

Mr. Cohen said that Washington was not seeking to reestablish military bases in the Philippines that it lost in 1992, but that the agreement initialed Wednesday would result in increasing military ties between the countries.

The "status of visiting forces" pact must be approved by the Philippine Senate.

"This morning in Manila, representatives of the United States government and the government of the Philippines initialed a visiting forces agreement," Mr. Cohen said, adding that the pact "will enable the United States and the Philippines to resume major military exercises, combined training and ship visits."

The defense secretary said he was not sure when exercises might resume but that the United States was ready.

Washington was forced to leave the Subic Bay naval base and the Clark Air Force Base six years ago in a dispute over payment for the facilities.

Mr. Cohen said Wednesday that the Philippines had not asked the U.S. military to establish new bases there, but there was always a possibility of such a move in the future if both countries agreed.

"We are not seeking bases there," Mr. Cohen said. "We are talking about promoting joint exercises and training."

The new agreement, similar to U.S. arrangements with Japan, South Korea and other countries, provides for the legal status of U.S. troops who might visit the Philippines during exercises or visits as well as other technical issues.

Mr. Cohen added that the agreement was another sign of U.S. determination to remain engaged in the Asia-Pacific region, where it maintains a major naval fleet and a force of about 100,000 troops.

Mr. Cohen made the announcement in an appearance at the U.S. Embassy in Jakarta while in the Indonesian capital for meetings with President Suharto and other officials. *(Reuters, AP)*

BRIEFLY

51 Die in Jet Crash In South Pakistan

ISLAMABAD, Pakistan — Rescue workers battled snow and freezing rain Wednesday to retrieve the bodies of 51 people who were killed when an Afghan plane crashed into a mountain in southwestern Pakistan.

The cargo plane, a Russian-made aircraft refitted to carry passengers, went down Tuesday in a remote region of Pakistan, about 300 kilometers (188 miles) from Kandahar.

The passengers included some Taleban fighters among civilians. It is common for soldiers to be transported in refitted cargo planes scheduled to fly at night to avoid enemy fire. *(AP)*

Tribal Militants Kill 16 Indian Villagers

GAUHATI, India — Tribal militants attacked villagers celebrating a harvest festival in India's remote northeast, killing at least 16 people, the police said Wednesday.

About 20 rebels fired automatic weapons at villagers, some of whom were singing and dancing around a bonfire Tuesday night in Kekerikuchi, 80 kilometers north of Gauhati, capital of Assam state, said a local magistrate, D. Hazala.

There was no claim of responsibility, but the police said they suspected one of two Bodo militant groups active in Assam.

The National Democratic Front of Bodoland has been fighting for secession from India since 1986. Its rival, the Bodoland Liberation Tigers, is campaigning for a separate Bodo state within India. *(AP)*

Military Leader Shot In Vietnam Court

HANOI — A senior military officer was shot dead in an army courtroom in southern Vietnam, a state paper reported Wednesday.

Colonel Vo Van Trung was shot at close range Tuesday by a subordinate, Lieutenant Colonel Nguyen Quang Thai, the paper Thanh Nien said. Lieutenant Thai then allegedly opened fire on another colleague, who was badly wounded. It was not clear whether a trial was under way at the time.

The paper said a brief standoff occurred as military police surrounded the Ho Chi Minh City courtroom to end the drama. Mr. Thai then shot himself in the head, the paper said. He died later.

A source said the motive for the shooting was not clear, but added that the situation in Vietnam's military zone, which encompasses Ho Chi Minh City and nearby provinces, had become "complex" because of top-level command changes. *(Reuters)*

4 Missing Timorese Are Found Dead

DILI, East Timor — Four East Timorese have been found dead days after they were abducted from their village by a group of unidentified armed men, a local official said.

The four victims from Coilima village, about 60 kilometers west of the territory's capital, Dili, were among a group of eight people seized Jan. 3, Francisco Martins Dias, a local district chief, said Tuesday. Villagers said that one of the other four abducted men had returned safely, but that the other three were still missing. *(Reuters)*

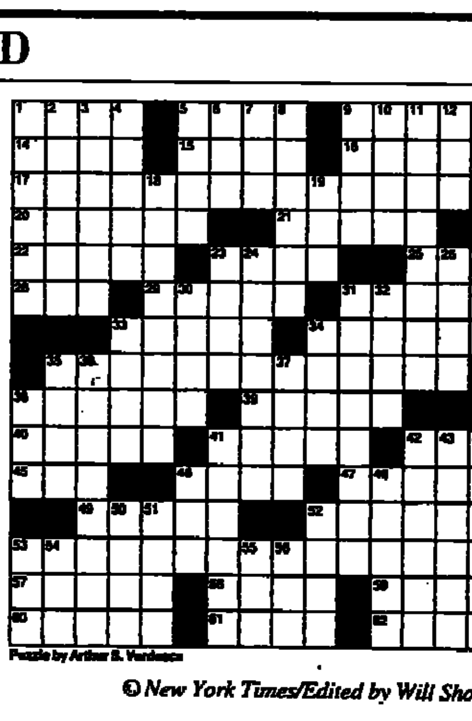
CROSSWORD

ACROSS

1 Revolutionary War commander John
5 Arabic leader
9 Caught, with "in"
14 Popular game bird
15 There's no sense in it
16 —— breath (spoken very rapidly)
17 Statistician's presentation
20 Thing
21 Settle down for the night
22 Tip
23 Corp. money managers
25 Christmas sounds
28 Anderson's "High ——"
29 France's —— Polytechnique
31 Showy flower
33 Coastal Brazilian state
34 Guest on Carson's last "Tonight Show"
35 "I Ching"
38 "Alien" heroine
39 —— diem
40 Big name in sports trading cards
41 One who's in it for the long run
42 Gold oak leaf wearer: Abbr.
45 German article
46 Founder of Carthage
47 Start of many bumper sticker slogans
49 Patronage
52 Point maker
53 1989 World Series site
57 Improper
58 "To Live and Die —— " (film)
59 More
60 Heater setting
61 Stalk of bananas
62 Germ

DOWN

1 Optimally
2 Taken care of
3 Summer wear
4 Barbara's role on "Dallas"
5 Sore
6 Mauna ——
7 Little pest
8 North Atlantic's —— Islands
9 Wealthy, in Madrid
10 Blame
11 Cabin feature
12 Part of SASE: Abbr.
13 Low mark
18 Person who can barely run
19 Computer "engine"
23 Hairstyle
24 Weak
26 Parts of binary code
27 Neighbor of Iraq: Abbr.
30 Bok —— (Chinese vegetable)
31 Minor annoyance
32 Verge
33 Tree trunk
34 Dark area on the moon
35 Irascibility
36 Latin word in police dramas
37 Nimbus
38 Obsolescent mail abbr.
41 "Little woman"
42 Esprit de corps
43 Hostile
44 Didn't proceed smoothly
46 Screw cutter
48 Proceeds smoothly
50 Part of E.T.S.: Abbr.
51 Part song
52 Sting
53 Chew it over
54 Actress Sue —— Langdon
55 Cable channel
56 Tahiti, for example



Puzzle by Arthur S. Verdesca

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Solution to Puzzle of Jan. 14

WILT HAMS CLASP
AVOW ABEL HAGUE
TORI LUTE OVERT
TRIXOFTHETRADE
SYSTEM KID
ROSA CAFTAN
ACHE OURS TEASE
CHEXANDBALANCES
TORIC SOLO SKAT
SWATCH REAR
RIP DABBLE
KIXUPONESHEELS
SELMA PITT ALAS
ARIEL ULNA DIME
TRANS PEAR YEAS

INTERNATIONAL

Israel Sets Guidelines for Peace Talks

By Serge Schmemann
New York Times Service

JERUSALEM — The government adopted sweeping guidelines Wednesday on what Israel would regard as "vital interests" in any future negotiations on the West Bank, ranging from "security zones" to its east and west to Jewish settlements, roads and areas around Jerusalem.

But after long and inconclusive debate in recent weeks about alternative maps drawn up by the military and by Infrastructures Minister Ariel Sharon, the cabinet set out only general principles rather than defined areas. Ministers said the broad approach avoided a showdown in the cabinet and gave Prime Minister Benjamin Netanyahu more maneuvering room in his impending meeting with President Bill Clinton.

The decision was one of a series that will shape the position Mr. Netanyahu will bring to Washington next week. Mr. Clinton's separate meetings with the Israeli leader and with Yasser Arafat, the Palestinian leader, are the culmination of a four-month effort by the United States to rescue the faltering Israeli-Palestinian peace process.

U.S. officials immediately expressed displeasure with the cabinet's decision.

"We were taken by surprise, and it's not helpful to our ability to conduct diplomacy on this important subject in advance of the meetings," a U.S. official, quoted by Reuters, said in Washington.

On Tuesday, the cabinet voted to make no further withdrawals from the West Bank until the Palestinians satisfy a long and stringent list of conditions. In coming days, the government is expected to debate the scope of the withdrawal Mr. Netanyahu can propose.

In advance of the trip, Israeli nationalists have mounted a major campaign to prevent Mr. Netanyahu from ceding more territory in the West Bank.

More than 20,000 right-wing Israelis gathered Wednesday evening for a rally on Rabin Square in Tel Aviv. "Clinton, you're not a friend," read a poster, reflecting the hostility of many nationalists to American efforts to draw a commitment from Mr. Netanyahu to make a "credible" withdrawal from the West Bank.

The cabinet's action Wednesday stemmed from its decision in early December to postpone any action on further pullbacks from the West Bank until the government has identified its "red zones," or the areas it will not cede under any agreements. That led to a stormy debate between Mr. Sharon and Defense Minister Yitzhak Mordechai over their respective maps, of which Mr. Mordechai's was the more moderate.

■ Palestinians Reject Conditions

The cabinet's decision came a day after it imposed conditions for Israel's delayed troop pullback from the West Bank, diminishing the chances for the breakthrough the Clinton administration had hoped for next week, The Associated Press reported from Tel Aviv.

The Palestinians angrily rejected Israel's positions.

"With these conditions," said Nabil Shaath, a senior official in the Palestinian Authority, "the Israeli trick, which Netanyahu is trying to slip by the U.S. administration, manifests itself."

"Netanyahu is trying his utmost to torpedo the Washington meetings," he added.

Still, it was not clear whether Israel would stick to the conditions, and a senior U.S. diplomat said they should be considered as opening positions only.

"We are in a negotiation process," said John Herbst, the U.S. consul general in Jerusalem. "It is not surprising for the sides to be laying out postures."

Mr. Clinton reportedly expects Mr. Netanyahu to present a detailed plan for the troop pullback — one of three to which Israel is committed by mid-1998. The Palestinians already have full or partial control of 27 percent of the West Bank and want the pullbacks to give them most of the rest. Mr. Netanyahu now envisions only one minor redeployment.

Mr. Arafat termed that position a violation of the Israel-Palestinian accords. "We are not asking for the moon," he said in Hebron. "We are asking for what has been signed at the White House under President Clinton."

Mr. Netanyahu's adviser, David Bar-Illan, said the prime minister would go to Washington with a general outline, not specific maps. But he added that the cabinet decision was vague and "leaves leeway" for Mr. Netanyahu to negotiate.

هكذا من الأصل

EUROPE

French Unemployed, Keeping Up Pressure, Call for Day of Protest

By Anne Swardson
Washington Post Service

PARIS — Organizers of widespread unemployment protests, saying general support for their cause was on the rise, said Wednesday that they would press forward and called for a day of national demonstrations Saturday.

With unemployment stuck at 12.4 percent, Prime Minister Lionel Jospin and his governing Socialist Party were bracing for a battering from businesses opposed to a proposed reduction in the workweek from 39 hours to 35 as well as the threat of wider disruption by the jobless.

On Tuesday, as many as 7,000 people turned out for marches in Paris, and a larger number demonstrated in Marseille. In Paris, about 700 protesters broke into the commodity futures market and occupied it for four hours until the police used tear gas to evict them. Eleven police officers were hurt.

"We are passing from sympathy to solidarity for our commitments," said Claire Villiers, spokeswoman for one of the protesters' groups.

The movement began last month, when a handful of the unemployed — aided by activists from the Communist-led CGT trade union — took over a local unemployment benefits office in Marseille. At its peak last week, about 30 such centers were occupied, out of more than 600 around France. The protesters demanded a year-end bonus of 3000 francs ($490) in their unemployment benefits and an increase in other social payments.

On Friday, Mr. Jospin said the government would spent an additional 1 billion francs to help out the poorest of the unemployed, but the protesters rejected the offer as insufficient.

On Saturday, the police cleared the unemployment offices, throwing the occupiers into the street. Since then, the protesters — perhaps a core of several thousand around the country — have been occupying other public offices and parks.

So far, Mr. Jospin has stayed high in the opinion polls thanks to a pragmatic, nonideological approach in which he has stuck with some of his leftist campaign promises, such as a future reduction of the workweek, while privatizing some businesses, which he had said he would not do. Economic growth is relatively strong, but France's high unemployment has not budged and the electorate may be becoming impatient.

As always in France, the question is whether the movement will spread into a wider violent protest that must be expensively bought off by the government or whether it will peter out on its own. The French government has little extra money to inject; it is under pressure to keep the budget deficit down in order to meet the criteria for the planned European single currency when members are chosen in May.

Guy Sorman, a commentator and writer, said in a telephone interview that Mr. Jospin's hands were tied because the agitators were as much professional activists as genuinely unemployed people. Such factions, he said, are less interested in political dialogue than in sowing the seeds of discord.

"You don't know if they are representative," Mr. Sorman said of the demonstrators. "You don't know who they are. You know if you accept their demands, the general response will be negative because to do so you'd have to raise taxes on companies and then you have more unemployment. It's a Catch-22."

Finance Minister Dominique Strauss-Kahn said Wednesday that the 1 billion francs for the poverty-unemployment payments did not represent new spending, though he did not say where the money had been found. With the French unemployment rate of 12.4 percent, about 3 million people are on the unemployment rolls. More than one-third of them have been jobless for a year or more.

The crisis has led to a split in Mr. Jospin's leftist governing majority. Some of his allies in the Communist and Green parties, with whom he has an informal governing alliance, objected strongly to the police evacuations of the unemployment centers Saturday. On the other side, Mr. Jospin is being hammered by the right and by business associations for his 35-hour workweek proposal.

Interior Minister Jean-Pierre Chevenement, responding Wednesday to criticism of police treatment of the protesters, said that "he police are there for the protection of everyone" and that the occupation of the chamber of commerce was "illegal."

Mr. Jospin said nothing about the protests, but complained earlier about the "overmediatization" of the situation and said the protesters should "be respectful of social rules and the law."

Jospin Hits A Nerve With Dreyfus Barb

Reuters

PARIS — The National Assembly broke into pandemonium Wednesday over the Dreyfus Affair of 100 years ago, showing that the historic miscarriage of justice can still be a hot issue in France.

Ushers threw a protective cordon around Prime Minister Lionel Jospin as conservative deputies poured out of their seats and angrily surged toward him when he recalled that the French right had nearly unanimously opposed Dreyfus.

Alfred Dreyfus, a Jewish captain in the French Army, was arrested in 1894 and sentenced to life in prison on charges of spying for Germany, but cleared in 1906 after a long controversy that divided the country.

Mr. Jospin presided over a national ceremony Tuesday marking the 100th anniversary of Emile Zola's "J'Accuse," an influential newspaper editorial in which the writer took up Dreyfus's defense.

On Wednesday, Mr. Jospin brought up the Dreyfus case while answering a parliamentary question about how France planned to make up for its role in the African slave trade in the 17th and 18th centuries.

"The left was certainly for abolition and that was not the case of the right," Mr. Jospin said, adding, "Just as the left was for Dreyfus and the right was against him."

The prime minister later half-heartedly tried to make up for his attack, but the assembly's conservative members had all left the hall amid cries of "Resign! Resign!"

"I was only taking note of historic truths," Mr. Jospin said. "I didn't say that the right of today was against Dreyfus."

Gerry Adams, president of Sinn Fein, leaving the funeral of Terry Enright, who was killed on Saturday.

In Belfast, a Precarious Plan for Peace

Encouraged, Both Sides Admit That New Attacks Could Kill Any Pact

By James F. Clarity
New York Times Service

BELFAST — While encouraged by the new willingness of both sides finally to grapple with details after 19 months of peace talks here, both Catholic and Protestant leaders fear that the effort remains vulnerable to fringe groups determined to wreck an accord.

Most officials agree that the proposals put forward Monday by the British and Irish governments, which laid out a map that could direct the talks on the future of Northern Ireland toward a settlement, were an important step toward ending the sectarian warfare that has killed 3,233 people since 1969.

But the plan could not negate the fact that in the last three weeks, one Protestant — Billy Wright, the leader of a renegade Protestant paramilitary group — and three Catholics have been killed in paramilitary attacks. If such attacks continue, mainstream leaders on both sides repeatedly warn, they could kill the peace effort as well.

Former U.S. Senator George Mitchell, who is chairman of the talks, said in an interview: "I try not to get too optimistic or too pessimistic. There is an up and down in this process.

"It's a matter of great concern that there are people outside this process who are determined to wreck it, with murder and other acts of violence."

The issue of disarmament of the Irish Republican Army and Protestant paramilitary groups was barely mentioned in the proposals put forth Monday at Stormont, on the edge of Belfast.

The disarmament issue, which delayed the start of negotiations for four years, now lies inert in a subcommittee. But eventually it must be dealt with, and it could still delay or kill any political agreement.

The tentative deadline for an agreement, set by the Irish Republic and Britain as sponsors of the talks, is May. But the fear of many here is that continued violence will slow the talks further and make it difficult for Protestant and Catholic leaders, who would then appear to be negotiating with representatives of terrorists.

David McKittrick, the author of several standard works on Northern Ireland, said, "They're heading for a May deadline for the talks, and both Republican and Loyalist splinter groups will be trying to make sure an agreement doesn't come about."

Mo Mowlam, Britain's secretary for Northern Ireland, expressed tempered optimism.

"The problems before Christmas had been that people knew what they wanted to talk about, but no party had been prepared to put down its cards on

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the table first," she said Tuesday. "We now have some cards on the table, and I hope it allows us to start talking."

But she added, "As we all know, the devil is in the detail."

The first cards played by the largest parties, the Social Democratic Labour Party, which mostly represents Catholics, and the Ulster Unionist Party, representing Protestants, were face-up general approval of the two governments' proposals.

But the first card played by Sinn Fein, which represents the overwhelmingly Catholic Irish Republican Army, was an apparent attempt to bluff the larger parties, if not trump them.

Mitchell McLaughlin, Sinn Fein's national chairman, referring to the Protestant parties, said of the proposals: "Many would see it as a sop to the Unionists and Loyalists, and Sinn Fein intends to test that vigorously. And if we decide this is an attempt to move towards an internal solution, we will reject it."

"Internal solution," in the parlance of the peace talks, means the creation of a new Northern Ireland legislature after the election of Catholic and Protestant members, but without corresponding moves toward a united Ireland free of British control.

To Protestant leaders, who want the province to remain British, a united Ireland is an abomination. And London and Dublin have guaranteed that no change in the status of Northern Ireland will be made without the consent of the Protestant majority in a referendum.

This makes it virtually certain that no agreement will include a united Ireland, the traditional goal of Sinn Fein and the IRA.

Squaring that circle is the essential problem. Ms. Mowlam, the highest-ranking British official in the province, said any party may propose anything, so Gerry Adams and Martin McGuinness, the principal Sinn Fein negotiators, are sure to press for a united Ireland, mostly to fend off criticism that they are abandoning a basic goal.

Mr. Adams has said he could accept an interim compromise — establishing closer ties with Dublin — that he hopes would persuade the IRA to maintain the cease-fire it resumed last July. But if the IRA disagrees and resumes its violent campaign to end British rule, that would surely provoke Protestant paramilitaries to retaliate, possibly even against targets in the Irish Republic.

Particularly repellent to Sinn Fein is a proposal to create a Council of the Isles, which would link Northern Ireland, the Irish Republic, Scotland and Wales in a consultative body. Sinn Fein sees this as a device to strengthen the union with Britain that it wants to break. Protestant leaders, such as David Trimble of the Ulster Unionist Party, think the council is a great idea.

EU Supports Beef Exports From Ulster

Move to Ease Global Ban Needs Members' Approval

By Barry James
International Herald Tribune

BRUSSELS — The European Commission recommended Wednesday a resumption of beef exports from Northern Ireland in the first relaxation of the global ban on British beef it imposed in March, 1996 to stem the spread of "mad cow" disease.

But the recommendation still has to be approved by the European Union's veterinary committee and member governments, and officials said it could be several months before the relaxation could come into effect.

The commission said its recommendation would apply only to cattle aged between 6 and 30 months from herds that have been certified as having no cases of mad cow disease, or bovine spongiform encephalopathy, for the last eight years.

Experts said approval of the commission's recommendation was not certain because several countries, including Germany, remain opposed to any relaxation of the global ban until the United Kingdom is certifiably free of bovine spongiform encephalopathy.

The issue could come before a meeting of agricultural ministers in February.

The global ban was imposed after British scientists established the probability that bovine spongiform encephalopathy could be transmitted to humans as a fatal brain affliction called Creutzfeldt-Jakob disease.

An exception was made for Northern Ireland because it has had a computer system in place for the last 10 years that allows it to trace the movements of all animals. The province also has a low rate of bovine spongiform encephalopathy, with 95 percent of more than 24,000 farms reporting no cases during that period.

The ban has had a major economic impact in the province, where about 85 percent of farmers are involved in beef production.

Northern Ireland has had 1,766 cases of bovine spongiform encephalopathy since 1988, but reported only 27 cases last year, a small number in comparison with the nearly 170,000 cases in mainland Britain.

Britain has had a compulsory check on cattle movements only since July, 1966.

Smaller outbreaks have been reported in several other European countries. Scientists believe the disease became epidemic in Britain because of the practice of feeding cattle ground-up animal remains. The Northern Ireland farmers appealed against the ban on the grounds that most of their beef cattle is fed on grass.

Last month, the United States banned imports of beef and lamb from 21 European countries to prevent contamination by bovine spongiform encephalopathy.

The EU, meanwhile, is threatening to bar imports of tallow and gelatin from the United States because it says these products are not adequately protected against bovine spongiform encephalopathy contamination.

Bonn Probes Neo-Nazi Acts in Army

Reuters

BONN — A parliamentary committee began an inquiry Wednesday into neo-Nazi activity in the German Army following a string of embarrassing revelations last year.

The inquiry was demanded by opposition politicians in December after it emerged that a convicted neo-Nazi bomber, Manfred Roeder, had been allowed to address an elite military academy in 1995.

The government says the investigation is unnecessary. "This will not produce any substantial new facts," Defense Minister Volker Ruehe said.

But Chancellor Helmut Kohl's Christian Democrats decided not to submit alternative proposals to the opposition Social Democrats' plan for a wide-ranging probe.

"The whole army should not, however, be dragged in front of the investigative committee and placed under general suspicion," said Paul Breuer, the Christian Democrats' top representative on the committee.

Mr. Ruehe appealed to committee members not to indulge in scoring political points. "Anyone who tries to defame the army as a whole will only damage themselves," he said.

The scandals, which the government has admitted have damaged the standing of the German Army abroad, have included amateur videos of recruits singing neo-Nazi songs and allegations of a widespread trade in banned Nazi paraphernalia in army barracks.

The Christian Democrats and their coalition partners have said the army is best placed to investigate the extent of neo-Nazi attitudes and incidents. The party said they were isolated cases involving individual soldiers and do not represent a trend.

Mr. Roeder sought access to the committee proceedings on Wednesday but was told it was not a public hearing.

BRIEFLY

Envoys in Brussels Hit by 'Carjackings'

BRUSSELS — At least 12 foreign diplomats have fallen prey to a tide of luxury-car snatching in the Belgian capital, the Foreign Ministry said Wednesday.

The Brussels public prosecutor's office said last week that at least 160 luxury cars, including Mercedes, BMWs and Porsches, were hijacked last year, mostly in the last four months.

Among the diplomats who have fallen victim to carjackings — where drivers are forced to hand over cars, usually at gunpoint — were the German ambassador to NATO, Hermann von Richtofen; the European Union's social affairs commissioner, Padraig Flynn, and the Palestinian Authority's ambassador to the European Union, Chawki Armali.

The police said they had set up a special squad to combat the carjacking surge. *(Reuters)*

Germans to Examine Tenerife Suicide Cult

HAMBURG — A team of German detectives prepared to travel to Spain on Wednesday to investigate whether an alleged doomsday sect's suicide bid on the island of Tenerife could be punishable under German law.

The Spanish police said they had foiled two mass suicide attempts on Tenerife in the Canary Islands by followers of Heide Fittkau-Garthe, a German psychologist who was arrested Jan. 7 and accused of planning to induce the 31 members of the sect to kill themselves.

A police spokesman in Hamburg said three investigators would fly to Tenerife on Wednesday to investigate reports that children were involved in the suicide plans, which could lead to charges of attempted murder or manslaughter.

The sect members, most of whom were German, believed the world was going to end last Thursday and a spaceship would rescue their souls from a Tenerife mountain. *(Reuters)*

Party Abandons Romanian Coalition

BUCHAREST — The Social Democrats withdrew their support for Prime Minister Victor Ciorbea on Wednesday and called for talks to form a new coalition government in Romania, a top party official said.

The Rompres news agency quoted Adrian Severin, the party's vice president and former foreign minister, as saying, "This is the only solution, as our party no longer has confidence in the present government formula and in the prime minister."

The Social Democrats stopped short of leaving the centrist administration in which they are the second largest of four parties. Mr. Severin said the party would remain within the coalition in a "caretaker capacity," Rompres reported.

But the decision, overwhelmingly approved at a special conference, amounted to an ultimatum to Mr. Ciorbea to step down to pave the way for a government more intent on proceeding with market reforms. *(Reuters)*

U.K. Report Finds Air Pollution Is Fatal

LONDON — Air pollution may cause the premature deaths of up to 24,000 people in Britain each year, according to a government report that could bolster calls for action against traffic congestion.

A panel of top medical experts also linked 12,000 to 24,000 hospital admissions a year to poor air quality.

The report on the short-term impact of air pollutants — mainly traffic fumes and power station emissions — revealed that those with asthma and breathing difficulties were affected most.

The biggest threat in British cities comes from dust particles, mainly from diesel fuel, which lead to about 8,100 deaths a year. *(AFP)*

PAPON: *In the Courthouse in Bordeaux, the Defendant Stands Not Silent, but Mute*

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reasonable, responsible civil servant.

He stands erect in the defendant's box, and with his narrow, mandarin's head held high, seems to be making a painstaking effort to appear distinguished.

In this projected version, Maurice Papon was a duty-conscious man who would, quite logically, acquire the status of a member of the Resistance, become a high Paris police official in the 1950s and 1960s and reach the level of cabinet minister under Valery Giscard d'Estaing until his past become problematic in 1981.

Pushed to the extreme, the old man characterizes himself as another victim, a scapegoat chosen by people in power seeking to impose on history their version of French guilt and disgrace in World War II.

When he is not saying he was too far removed to have responsibility for the awful things that happened in Bordeaux, that the ugly matters were left to Mr. Sabatier, his superior, or Pierre Garat, his subordinate, Mr. Papon insists hard on his respectability. So, when Mr. Robert asks him why his desk diary mentions events from every aspect of his life in 1942, but avoids the trains packed with Jews, he replies (to more murmurs from the courtroom) that this is because "they're so etched into the mind and body that it's purposeless to transcribe them."

The spectators react in the same astonished way when he is asked to give his reaction to a situation in which Vichy officials were described as clearly pursuing individual Jews beyond the parameters of their own regulations: "If I were to participate in a trial of Vichy," Mr. Papon says, "I'd be a plaintiff."

There is more.

Mr. Papon excoriates a Bordeaux police official as "a collaborator and anti-Semite" and says his permanent instructions to the Jewish Affairs staff could be summed up as "no extra effort." He insists that he said back then that "there were to be no initiatives favorable to the German authorities. Each time that it was possible, the idea was to negotiate, discuss, stall, gain time. Those were the permanent instructions."

As for the Nazis, he told the court last week that he and his colleagues were "completely taken advantage of " by them and that "O.K. then, I committed a crime of naivete" in "not believing the Germans capable of doing what they did." For good measure, Mr. Papon added that "relationships were stained by the hypocrisy characteristic of the German race."

But when it comes to details of the train on Sept. 21, 1942, that took 71 Jews, including 13 children, from the main station in Bordeaux to their deaths, Mr. Papon is of no help at all to Mr. Robert as he probes for details in a dossier that is short of them. "I wasn't there, Mr. Prosecutor," Mr. Papon replies. "How could I know?"

Later, in the 45th hearing, the court listens to the testimony of Yvette Silva, a dental assistant living in Bordeaux, who tells the story of her late mother-in-law, Marie Louise Reille, interned and sent to Auschwitz by Mr. Garat, who overruled a judgment by a local police official that she was a Catholic. The account is extraordinary because Mrs. Reille is somehow able to throw into the streets of Paris an unstamped letter to her husband from a bus transferring her to the Drancy camp in September 1942. The letter reaches him and, through contacts in the Vichy government, he is able to prevail miraculously on the Nazis.

According to Mrs. Silva, Mrs. Reille is pulled out of the extermination machinery —"an immense smoking chimney" and "a mountain of valises" — on the railroad ramp at Auschwitz and, with her suitcase, is returned under German guard to France.

The testimony describes the late Mr. Garat as again refusing to classify Mrs. Reille as a Catholic after her return from Auschwitz and after she tells him in the offices of the prefecture that he sent her "to a death camp, to an extermination camp."

A complaint against Mr. Garat was filed after the war and a letter written to the authorities concerning Mr. Papon, but they came to nothing, Mrs. Silva says.

Judge Jean-Louis Castegnede turns to Mr. Papon and asks, "How do you explain this if you go back to the instructions you gave — 'no zeal'?"

"This is a strange, dark affair," he replies. "I wasn't aware of it."

The trial, which has been slowed by postponements relating to Mr. Papon's health, is expected to wind up in late March or early April.

Norway's Restaurateurs Fume at New Law

The Associated Press

OSLO — Anti-smoking laws have left Norwegian restaurants so squeezed for space that one restaurant proposes auctioning off tables in its smoking section.

"How else am I going to make up for what I am losing on the new smoking law?" the Dagbladet newspaper quoted a restaurant owner, Ivar Laukholm, as saying Tuesday. "What am I going to do if a nonsmoker sits at a smoking table? Should I add a smoke fee?"

Under stricter laws that took effect Jan. 1, at least half of all seats in restaurants and bars must be smoke-free. But even nonsmokers seem to prefer sitting with friends who do smoke, leaving smoke-free sections almost empty.

Still Ahead for the U.S.: Bigger Arguments With and About Saddam

By Steven Erlanger
New York Times Service

WASHINGTON — After all the drama of last November, the Clinton administration finds itself back where it started with Iraq: in another annoying and potentially explosive confrontation with Saddam Hussein over United Nations weapons inspectors.

It is the same dispute as last time, when all the permanent members of the Security Council agreed that Mr. Saddam could not dictate the makeup of the weapons inspection teams.

"It does simplify things," a senior White House official said.

But since that last crisis Iraq has at least succeeded in shifting the debate among the Security Council members toward when and whether to offer Baghdad some "light at the end of the tunnel" of the sanctions. And it has so far succeeded in keeping the inspectors out of sites it has ruled off limits.

Mr. Saddam backed down last time, allowing inspectors to return to Iraq and withdrawing his objection to American participation on inspection teams, and officials suspect he will do the same now. But he agreed only after the Russians, acting on behalf of the Security Council, convinced him that Moscow would work to ease the sanctions if Iraqi complied.

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For Mr. Saddam to renege on that agreement now only makes it harder for the Security Council to show Baghdad that "light," American and NATO officials said, expressing puzzlement as to why he has chosen to challenge them again on this same issue.

Perhaps, they said, Mr. Saddam was diverting attention from the sensitive sites the United Nations wanted to visit or perhaps Baghdad wanted to test the cohesion of the Security Council yet again, but they did not pretend to know.

They did agree, however, that the main argument is still to come over Iraq, and it is not about composition of the inspection teams. It is about where the inspectors can go and how long they should pursue each category of banned weapons and then about how long strict economic sanctions should remain on Baghdad.

And in that battle America's real negotiations, as usual, will be with the other permanent members of the Security Council, where Mr. Saddam has again forced the debate and tested the endurance of the coalition against him.

As Secretary of State Madeleine Albright called her British, French and Russian counterparts, a senior administration official said, "The question is not whether the situation is different today, but whether the willingness of Saddam's erstwhile friends to stand up for their own resolution is going to fade over time."

The presumption among White House and State Department officials is that the French and Russians, who have been most critical of Washington's unbending policy toward Iraq, will stick with Washington, as Britain has always done, on the question of the makeup of the inspection teams.

The French Foreign Ministry issued a statement in Paris "profoundly" regretting the Iraqi decision to obstruct the inspectors and reminding Iraq of its obligations to cooperate with them "fully, immediately, unconditionally and without restrictions."

And senior administration officials said they expected the Security Council to issue a strong statement in the next couple of days condemning Iraqi noncompliance. They said there was general annoyance with Iraq in the Security Council, which only seems to undermine Iraq's longer-term aim of dividing the permanent members over the larger sanctions policy itself.

"We've had many crises," the State Department spokesman, James Rubin, said. "We've had many times in which Saddam Hussein has sought to dictate terms. And each and every time, he's backed down in the face of the united view of the British, the French, the United States, the Russians and other members of the Security Council. And on this issue, they are united."

But they are divided on other questions, like how to treat his claims of presidential immunity over numerous sites in Iraq and how to inspect "presidential palaces," if allowed to do so.

More important, the French and Russians explicitly say they want to give Mr. Saddam some sense of "light at the end of the tunnel" after nearly seven years of sanctions and to help ease the plight of ordinary Iraqis.

These are the harder issues for Washington to manage and they will come up this month, too, in the Security Council.

Last week in Paris, senior American and NATO officials said, Undersecretary of State Thomas Pickering and French officials spoke about French ideas to give Mr. Saddam and Iraqis some sense of progress.

The French are proposing that the United Nations "close the files" on Iraqi possession of missiles and nuclear weapons and move on to "long-term monitoring" by the United Nations, which is somewhat less intrusive. The French would keep the files open on Iraqi possession of biological and chemical weapons, about which less is known and more cheating has been discovered.

The French and Russians would also like to begin easing the strict economic sanctions on Iraqas an acknowledgment of progress on missiles and nuclear weapons.

The Americans are considering whether it makes sense to close a file or two, officials said. But Washington is not convinced that a period of confrontation with Iraq is a good time to do it. And Washington is adamantly opposed, the officials said, to any "gradualism" in easing sanctions in response.

"The French idea is to show the Iraqis that there's light at the end of the tunnel by checking off on a file," an official said. "But we insist on full compliance before any sanctions are lifted."

The chairman of the UN inspection effort, Richard Butler, is due to go to Iraq on Monday and report to the Security Council about Jan. 23. "A lot depends on what he finds and does," a senior official said. "What we choose to do is dependent on Saddam's degree of defiance."

IRAQ: *U.S. Patience Is Being Tried*

Continued from Page 1

sition. Efforts to broaden the international makeup of those teams became more apparent Wednesday.

In Paris, a diplomatic aide to President Jacques Chirac said that Security Council members had decided in December to "lower the American profile" in the monitoring process.

The French official said the new approach had been accepted by all the governments on the Security Council after a lengthy series of exchanges, but not formally adopted or publicized.

So far, he said, there had been few actual changes because of the time required for governments to find experts and submit their names to Richard Butler, the chief UN weapons inspector, for approval and assignment.

The French official made it clear that both Washington and Paris backed this decision to push for greater diversity in the inspection teams as a way of neutralizing Baghdad's complaints about U.S. influence without watering down the quality or results of the inspection process.

Russia said Tuesday that it had offered 60 new experts and the UN confirmed that China had offered three experts, apparently a first for Beijing. Italian and Canadian inspectors have also been added.

• On Wednesday, the Security Council called Iraq's barring of the American-led inspection a "clear violation" of UN resolutions, the fourth such declaration since the crisis erupted in November.

The council gave its full backing to the Mr. Butler, who returns to Baghdad on Monday for talks with Iraqi officials.

Mr. McCurry, however, expressed a sense of mounting frustration.

"We are pursuing, and increasingly exhausting, the diplomatic avenues that are available," he said in a news briefing, reiterating that military action had not been ruled out.

It appears unlikely, however, that the Clinton administration will take such action before Mr. Butler reports, in more than a week, to the Security Council on his Baghdad visit.

"We'll have to see the results of his mission," a State Department spokesman, James Foley, said. "If he has not found compliance on that visit, then we're going to face decisions in New York in the first instance."

A spokesman for the UN inspection commission in New York, Ewen Buchanan, confirmed that it was seeking to recruit more staff members from other countries, but said the requirement for expertise in such areas as Scud missile technology or chemical or biological weaponry meant the available pool was small.

Tariq Aziz, deputy prime minister of Iraq, accused the commission of "procrastinating" in recruiting new staff members. In a broadcast news conference from Baghdad, he said that "not only the Americans and British are experts on disarmament."

A UN inspection team headed by an American, Scott Ritter, was barred Tuesday and Wednesday from touring suspected weapons sites. Iraq has called Mr. Ritter a spy, which American officials stoutly deny. Other teams were allowed to carry out their work.

Mr. Butler that he had no plan to change the makeup of Mr. Ritter's team.

Baghdad's Nemesis: An Ex-Marine Turned Inspector

By Philip Shenon
New York Times Service

WASHINGTON — Among the dozens of United Nations inspectors who travel into and out of Iraq in the search for poison gas and other weapons of mass destruction, William Scott Ritter Jr. was bound to be a special thorn in the Iraqis' side.

Some of his UN colleagues are specialists in chemical weapons, while other inspectors have backgrounds in the science of germ warfare or nuclear weapons.

The 36-year-old former Marine captain is responsible for investigating the methods used by the Iraqis to hide their stockpiles of weapons from international inspection.

And so it was no surprise, his colleagues say, that the Iraqis would charge that Mr. Ritter, who has worked for the UN Special Commission on Iraq since he left the Marines in 1991, is an American spy.

"A lot of what Ritter does has focused on the area that the Iraqis are most sensitive about: what we consider to be their concealment activities," said Charles Duelfer, deputy director of the special commission, which is responsible for the inspections imposed on Iraq after the 1991 Gulf War.

Mr. Duelfer said the idea that Mr. Ritter might be a spy for the CIA "is a joke — everybody around here finds that terribly amusing." He added: "The truth is that Ritter is a man who is very dedicated to his job. He's a very energetic, tough-minded inspector."

Mr. Ritter has repeatedly infuriated the Iraqis, notably last month when he led a team on a surprise inspection of a lakeside resort often used by President Saddam Hussein.

The inspection, which resembled a commando raid, brought fierce protests from the Iraqi government, which has insisted that it is concealing nothing from the United Nations.

In 1995, Mr. Ritter led an inspection team that discovered that missile guidance parts were being smuggled into the country through Jordan in violation of the international arms embargo imposed on Iraq after the war.

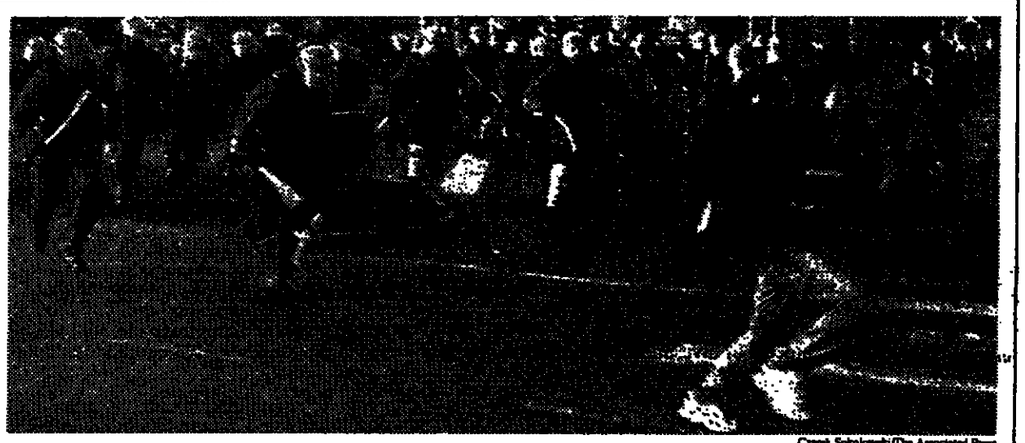
Tariq Aziz, deputy prime minister of Iraq, has called Mr. Ritter a troublemaker, while the official Iraqi news agency accuses him of "falsifying facts, inventing lies, deliberately prolonging the process and sending false reports to the Security Council."

Mr. Ritter, who has described the spying allegations against him as "absolutely untrue" and "insulting," has a background in military intelligence.

During the Gulf War, he was assigned to American military headquarters in Saudi Arabia as an intelligence analyst responsible for reviewing satellite photographs of the battlefield to determine the damage done to Iraqi forces by American bombs.

He joined the Marines in 1984 after graduating from Franklin and Marshall College in Lancaster, Pennsylvania, and was first assigned to a brigade in Twenty-Nine Palms, California. Before his assignment to Saudi Arabia in 1990, he was stationed for two years at the Defense Nuclear Agency, which studies nuclear-weapons and atomic-energy issues for the Pentagon.

"A lot of our inspectors either come from military backgrounds or are active-duty military," said Mr. Duelfer of the UN Special Commission. That makes sense, he said, "because in some ways our inspections are a little bit like military operations."



Czarek Sokolowski/The Associated Press

POLISH SKIRMISH — A teenager fleeing Wednesday in Slupsk as youths fought a street battle with police after the funeral of a 13-year-old who died after being clubbed by an officer in a fight at a basketball game.

AGE: *Immortal Cells?*

Continued from Page 1

At the center of the excitement are molecular structures called telomeres, which enshroud the tips of all 46 chromosomes inside human cells. Telomeres are like the plastic protectors at the ends of shoelaces; they keep the tips of chromosomes from becoming frayed.

Each time a cell divides, its telomeres grow shorter. In youthful cells, an enzyme called telomerase quickly rebuilds them. But in older cells, that enzyme is absent. Without it, telomeres shrink with each cell division, in effect ticking off time like a molecular clock. Eventually they become so short that the cell's chromosomes become tangled. The cell stops dividing — becomes "senescent" — and eventually dies.

Scientists have hypothesized for years that aging cells might be rejuvenated if they could be prodded to make telomerase again. It became possible to test that idea last year, when scientists finally discovered the key gene that directs telomerase production.

In the new work, led by Andrea Bodnar and Michel Ouellette at Geron and Woodring Wright at Southwestern, researchers put extra telomerase genes into three kinds of human cells growing in dishes. In all cases, the cells continued dividing long after they normally would have stopped, according to a report in this week's issue of the journal Science.

"We strongly suspect these cells have been immortalized," Mr. Wright said. Aging is probably more than a matter of cumulative cell senescence, he said, but doses of telomerase might help keep certain tissues or organs young.

"It's certainly not the answer to staying young," he added, "but I can imagine that 'health span' may be considerably improved and there may be even some improvement in life span."

REBUFF: *Algeria Rejects EU Mission*

Continued from Page 1

last week, like many earlier mass killings, were the work of the Armed Islamic Group.

It is the most violent offshoot of an Islamic opposition that would have won legislative elections six years ago if the military had not stepped in to call off the vote.

France, with millions of residents of Algerian origin and important trade in oil, gas and manufactured goods with its former colony, has suspected Algerian government complicity in some of the violence, but is now increasingly inclined toward the view that the Armed Islamic Group has turned to terrorism against civilians who accept the government's legitimacy. From 60,000 to 75,000 people have died since the violence began in 1992.

President Liamine Zeroual's military-backed government held parliamentary elections in June that excluded the outlawed Islamic Salvation Front, the group that probably would have come to power in 1992, but saw a moderate Islamic force called the Movement for a Peaceful Society win 69 of the 380 seats.

"This is the first Algerian Parliament since independence that has had a pluralistic legislature," a French official said Wednesday, explaining that France had hoped the European mission could meet with Algerian officials and encourage them to pursue dialogue with the nonviolent Islamic opposition to isolate the forces of violence.

A European Parliament delegation also hopes to have talks soon with members of all parties in the Algerian legislature.

Officials in Britain, which assumed the European Union's rotating presidency after Luxembourg and will hand it over to Austria in July, expressed disappointment at the cancellation of the European mission and said that a higher-level delegation could be put together if other European countries agreed.

Algeria fought its way to independence in 1962 in a war that left 10,000 French soldiers and 100,000 Algerians dead. A one-party state for most of its existence, it rejects all outside criticism from human-rights groups.

JAKARTA: *IMF Expects 'Dramatic Acceleration' of Reforms*

Continued from Page 1

ing under control. The Indonesian stock market shot up 5.7 percent, and the country's currency, the rupiah, rose 14 percent, in sharp contrast to its 26 percent drop Friday.

The rally spread across most of Asia, with stocks rising 7.50 percent in Singapore, 6.51 percent in Malaysia, 5.81 percent in Hong Kong and 2.5 percent in South Korea.

Mr. Camdessus said the new agreement with Jakarta would be "structured in a way that will give high incentive to early implementation."

Analysts said that this appeared to be an implicit warning to Jakarta that the second installment of a $43 billion bailout loan package would not be released in March as scheduled unless the IMF was satisfied that the reforms were being applied. The installment is worth $3 billion.

It was unclear what would be announced Thursday. But the Indonesian trade and industry minister, Tunky Ariwibowo, said that cuts in import tariffs and trade barriers were planned to boost exports. Finance Minister Mar'ie Mohammed said the much-criticized budget for the fiscal year ending in March 1999 could also be adjusted.

Neither minister gave details, but markets are looking for a phased reduction in fuel subsidies, not only one of the most costly budget items but also one of the most politically sensitive because they directly benefit Indonesia's poorest people.

Analysts said that in criticizing the Suharto government for lax implementation of a previous "letter of intent" agreement signed with the IMF in October in exchange for the $43 billion loan package, Mr. Camdessus was seeking to defend the Fund from a growing chorus of criticism in the United States and other Western countries, as well as in Asia, over the alleged failings of its rescue programs in Indonesia, Thailand and South Korea.

One of the IMF's sharpest critics — Jeffrey Sachs, director of the Harvard Institute for International Development — said in an interview Wednesday that the International Monetary Fund had been "prescribing the wrong medicine" in Asia by insisting on closure of ailing financial institutions. (Page 17)

He said that in Indonesia, Thailand and South Korea this had caused a banking crisis that was "unnecessarily deepening the economic contraction, increasing unemployment and bankruptcies, and thereby tremendously raising the costs of overcoming the crisis."

In Singapore, Mr. Camdessus said he had "no knowledge" of an internal IMF report that the closure of 16 Indonesian banks in early November had helped spread panic and brought the financial system to the brink of collapse.

The New York Times said Wednesday, in a report carried by the International Herald Tribune, that the confidential report had been prepared last week and distributed to members of the IMF board.

Mr. Camdessus said that the Indonesian bank closures were necessary, just as high interest rates in Indonesia were necessary as a temporary measure to halt the fall in the value of the rupiah.

"When a bank is insolvent, it is better to close it and not expose its depositors, clients and taxpayers to the added burden of an artificial survival," he said. "This had to be done and, if anything, I would suggest to the Indonesian authorities to give an added impetus to their efforts to restructure their banking sector."

In unusually forthright criticism of the Indonesian government, Mr. Camdessus said it now realized the "high cost of hesitating in the first weeks of implementation of this program, hesitating and then very rapidly undermining the confidence" of investors and financial markets.

"The Indonesians have certainly realized they are in a situation that does not allow them the luxury of this kind of easygoing implementation of the program," he said. "This is certainly a positive factor giving more chances to the next letter of intent."

CUBA: *U.S. Group Seeks to Ease Embargo*

Continued from Page 1

tention focused on Cuba by the visit next week of Pope John Paul II.

Participants made clear that they came together with different motives: Some want to do business with Cuba, some believe the entire embargo is bad policy and some seek only to moderate what they say is the suffering of innocent Cubans deprived of food and medicine. Food and medicine were added to the trade embargo as part of the 1992 Cuban Democracy Act.

The European Union has also challenged U.S. sanctions against Cuba and periodically has threatened to take the case to the World Trade Organization.

For the Chamber of Commerce and some individual businesses, the longer-term goal is to reduce U.S. reliance on economic sanctions as an instrument of policy in Cuba and elsewhere, Mr. Workman and other chamber officials said.

The Clinton administration has taken no position on the legislation, sponsored in the House by Representatives Esteban Edward Torres, Democrat of California, and Charles Rangel, Democrat of New York, and in the Senate by Christopher Dodd, Democrat of Connecticut, and Rod Grams, Republican of Minnesota. It is opposed by several Cuban-American groups.

A member of the group's executive committee, Delvis Fernandez Levy, executive director of the Cuban-American Alliance, said in a telephone interview that many Cuban-Americans "agree that the policy is counterproductive, it is not getting rid of Castro and it is creating pain and misery for people in Cuba."

But Representative Lincoln Diaz-Balart, a Florida Republican and Cuban-American, said the Chamber of Commerce campaign "demonstrates a profound ignorance of Cuban reality and contributes to giving capitalism a bad name" and predicted the lobbying campaign would fail.

■ **Cardinal Gives First TV Sermon**

For the first time in almost four decades, the prelate of the Roman Catholic Church in Cuba has delivered a prime-time sermon on the state's tightly controlled national television, The Los Angeles Times reported from Havana.

The broadcast Tuesday by Havana's archbishop, Cardinal Jaime Ortega, was a watershed in Cuba's church-state relations — the most dramatic concession that President Fidel Castro has granted the church in advance of Pope John Paul II's five-day visit next week.

Flanked by a portrait of the Pope and a statue of the Virgin of Charity, Cuba's patron saint, Cardinal Ortega delivered an impassioned endorsement of a Pope he has known for 19 years.

"The Pope is a fighter," Cardinal Ortega said in his address, which walked a fine political line.

The cardinal praised the Polish Pope's patriotism toward his once-communist homeland. Cardinal Ortega equally highlighted the Pope's opposition to economic sanctions that punish the poor, specifically mentioning the U.S. embargo against Cuba and Iraq.

KOREA: *Unions Give In to President-Elect Kim on Layoffs Talks*

Continued from Page 1

suring Seoul through street protests.

"Currently, we are still against layoffs of workers," said Choi Dae Yul, a spokesman for the top South Korean labor grouping, the Federation of Korean Trade Unions. "We cannot mention specifics right now, but in this new committee we will continue to voice our position."

The unions seem to have been afraid that if they had taken to the streets, the nation's stock market and currency would have fallen, and they would have been blamed by the public for harming the nation's economy.

Based on conversations with union officials, government officials and others, the outlines of a deal seem to be visible. The unions would agree to accept layoffs under carefully specified circumstances, and in exchange the government would improve the social safety net. In addition, the nation's industrialists and the conglomerates they run would also make concessions, to achieve a sense that the burdens of economic restructuring are being broadly shared and not forced on workers alone.

Yoon Young Mo, a spokesman for the more militant Korea Confederation of Trade Unions, said, "For the sake of the unemployed workers whose ranks will grow immediately after passage of the law, we will ask the government to improve unemployment benefits."

Mr. Kim, in contrast to past presidents, has been critical of the conglomerates, or *chaebol*, that dominate the South Korean economy and have partially stifled the emergence of small businesses. The president-elect met with the heads of the chaebol Tuesday and won promises from them to adopt changes that will put them on more of a market footing.

In addition, Mr. Kim has sought to woo labor by emphasizing that the nation's restructuring, however painful, will be equitable, with every sector of society making some contribution. He has already announced that government employees face a pay cut, and he has benefited from the close ties that he nurtured with trade unions throughout his career as a dissident.

"There's a mutual trust between labor and Mr. Kim," said Ben Limb, an aide to Mr. Kim. "His intentions and good faith are not questioned."

The new committee will meet starting Thursday. Such a panel will be a novelty in a country where labor-management relations have often been bitter.

BRIEFLY

UNITA Gives Up Diamond Mines

LUANDA, Angola — The former rebel movement UNITA handed over the diamond mines in the northern Cuango Valley on Tuesday, a government minister said.

General Higino Carneiro, deputy minister responsible for implementing the 1994 Lusaka peace agreements, said the state's Mining Development Company could resume its activities at Cuango.

UNITA, the National Union for the Total Independence of Angola, gave up Cuango town last year, but refused to hand over the rich diamond fields. UNITA accused government troops of attacking the valley, and a government team went to the area Tuesday to assess the situation. *(AFP)*

Iran Says It Doubts Sincerity of U.S.

TEHRAN — Iran's state radio said Wednesday that it doubted U.S. sincerity in seeking to normalize relations with the Islamic republic despite Washington's repeated offers of direct talks.

President Mohammed Khatami said last week that he was in favor of dialogue between the peoples of Iran and the United States, but refrained from calling for talks between the two governments. *(AFP)*

Protest in Guyana

GEORGETOWN, Guyana — Policemen fired tear gas Tuesday to disperse supporters of Guyana's main opposition party defying a government ban on marches and public meetings. There were several arrests, but no reports of injuries.

The main opposition People's National Congress argues that last month's presidential elections, won by Janet Jagan and the ruling People's Progressive Party, were fraudulent. *(Reuters)*

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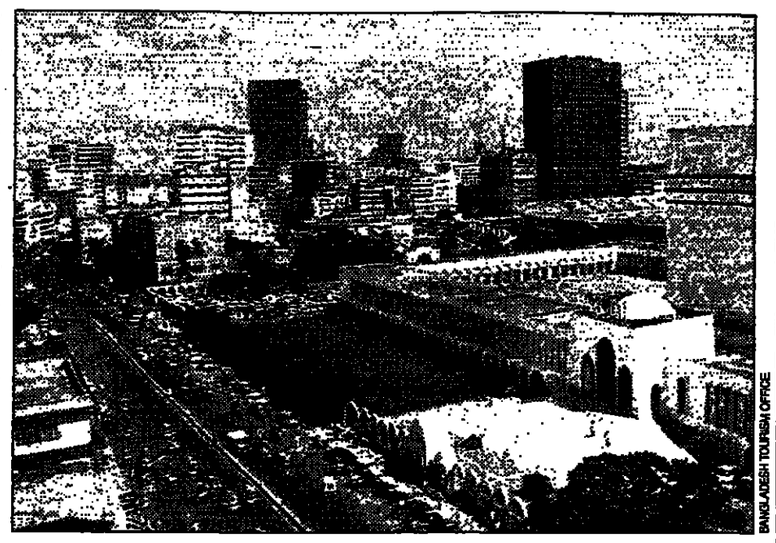
BANGLADESH AND SOUTH ASIA

The Three Nation Business Summit, hosted by Bangladesh, is a historic step for regional economic cooperation. The summit, which opens today in Dhaka, brings together the prime ministers of Bangladesh, India and Pakistan and business leaders from each country to forge trilateral economic ties, which, in turn, will benefit the entire South Asia region.



BANGLADESH TOURISM OFFICE

'We must work together to realize our full potential. Our enormous market, our untapped natural resources and above all our vast human resources, if properly developed, can convert one of the poorest regions in the world into one of the most prosperous.'

PRIME MINISTER SHEIKH HASINA OF BANGLADESH

AFP

'We stand at the threshold of a new century. I am confident that as we forge ties of economic cooperation that knit our region together, South Asia will emerge to take its rightful place in the world.'

INDIAN INTERIM PRIME MINISTER INDER KUMAR GUJRAL

AFP/VAVEENDRAN

'Posterity will judge us for the choices we make. Through cooperative interaction, we can build a better tomorrow. I call on governments and business in South Asia to jointly undertake this common venture into the next millennium.'

PRIME MINISTER NAWAZ SHARIF OF PAKISTAN

AFP/DOUGLAS CURTIAN

FACTS AND FIGURES

BANGLADESH

Official name: People's Republic of Bangladesh
Capital: Dhaka
Head of government: PM Sheikh Hasina
Area: 143,998 sq. km.
Population: 125.8 million
Population growth rate: 1.8%
Language: Bangla (official); English widely spoken.
GDP growth: 5.7%
GDP per capita: $283
Inflation: 3.9%
Exports: $3.8 billion
Trade deficit: $1.0 billion

INDIA

Official name: Republic of India
Capital: New Delhi
Head of government: PM Inder Kumar Gujral
Area: 3,287,262 sq. km.
Population: 953 million
Population growth rate: 2.1%
Language: Hindi (official); English widely spoken
GDP growth: 6.8%
GDP per capita: $360
Inflation: 6.6%
Exports: $35.9 billion
Trade deficit: $5.1 billion

PAKISTAN

Official name: Islamic Republic of Pakistan
Capital: Islamabad
Head of government: PM Mohammad Nawaz Sharif
Area: 796,095 sq. km.
Population: 137 million
Population growth rate: 2.9%
Language: Urdu (official) and numerous regional languages; English widely spoken.
GDP growth: 3.1%
GDP per capita: $465
Inflation: 12.5%
Exports: $8.6 billion
Trade deficit: $4.2 billion

Sources: Bangladesh Government, Pakistan Government, India Government, SAARC, UNDP, Asia Week.

BANGLADESH IS REGION'S RISING STAR

Few people would have wagered that the general election of June 1996 would be a major turning point in Bangladesh's history. After all, there had been numerous elections since independence in 1971 with little change in the country's fortunes. But this election was different. The vast majority of Bangladeshis wanted change. After decades of economic stagnation and political turmoil, they voted in the Awami League under the leadership of Sheikh Hasina, eldest daughter of former Prime Minister Bangabandhu Sheikh Mujibur Rahman, assassinated in 1975 by political opponents.

Sheikh Hasina didn't wait long to shake things up both at home and abroad. Her most urgent task was resurrecting international confidence in a country that has struggled since its creation with poverty and numerous natural disasters. At the same time, she launched her enthusiasm and intellect into the issues of poverty reduction and regional diplomacy.

International confidence

Less than two years after that fateful election, the results have been astounding, if not downright miraculous, on almost every front and Sheikh Hasina has emerged as one of the most progressive and energetic leaders in the developing world.

While other Asian economies grope through the current currency crises, Bangladesh is chalking up some of its best-ever numbers — 5.7 percent expansion for fiscal year 1996-97 — the first time economic growth has breached the five-point mark since 1990. If foreign investment is any indication, international confidence is returning in force.

Since the Awami League swept to victory 19 months ago, Bangladesh has attracted more than $1 billion in new investment commitments from overseas sources. Total private sector investment hit a record $10.9 billion last year.

"There were many misconceptions about Bangladesh," says Moazzem Hossain Khan, executive chairman of the Bangladesh Export Processing Zones Authority (BEPZA). "But now many emerging market reports believe that Bangladesh is the 'new rising star' in South Asia for foreign investment."

Bangabandhu Sheikh Mujibur Rahman, father of the Bangladesh nation.

Trade is also booming. Bangladesh exports reached a record $3.8 billion in fiscal 1996-97, nearly double the figure for 1990.

Imports continue to grow, and reached a record $4.8 billion last year. The country's trade deficit has been trimmed to a manageable $1.0 billion. At 3.9 percent, inflation is also under control compared to the early 1990s.

Not content to rest on its laurels, Sheikh Hasina's government continues to pursue genuine reforms in trade, industry, finance, banking, bureaucracy, education and other fields vital to the country's future.

Significant reforms

A significant array of reforms, deregulations and liberalization moves have been carried out in the last year and a half and more are in the cards for 1998.

"The government has already taken remedial steps," says Mr. Khan, "to wind up the bottlenecks and red tape in the country in order to boost exports and attract more foreign investment."

One of the cornerstones of economic reform is the privatization of the country's many state companies and industries, which are running more than half a billion dollars in the red each year.

In early 1997, the government drew up a list of more than a hundred state firms (mostly in the textile, chemical, engineering and plantation sectors) targeted for privatization. As of this month, the government had finalized the process of divestment in 32 state-run companies ranging from the national ice factory to a can manufacturer, a sugar mill and several textile concerns. The privatization target for the current fiscal year includes 54 companies.

Meanwhile, the government is stepping up efforts to boost the productivity and efficiency of remaining state-run companies in a bid to make them more attractive to private-sector investors and potential buyers.

Bolstering economic growth and reform are positive social factors like continued democratization of the political process, gradually rising literacy levels, decelerating population growth and a commitment to eliminating graft and corruption from everyday life.

Bangladesh's Administrative Reform and Law Reform commissions are tackling the graft issue with a government ethics program that calls for less discretionary decision making and personal accountability for all government officials.

The country has also taken giant leaps toward self-sufficiency in food production. Bangladesh's "food deficit" was 210,000 metric tons during fiscal year 1996-97, a significant drop from previous years. In order to reach total self-sufficiency by 2002, the government has launched a program to boost annual production from 19 million to 25 million metric tons.

Sheikh Hasina has emerged as one of the region's foremost proponents of bilateral and multilateral cooperation. Her "economic diplomacy" missions have taken her to numerous world capitals over the last year and a half, including Washington, London, Tokyo, Beijing, Rome, Islamabad, Jakarta and Manila. She has moved Bangladesh into several important economic cooperation organizations, including the newly formed South Asian Growth Quadrangle (SAGQ), the Developing Eight (D-8) and BISTEC, with other countries that border the Bay of Bengal. Most important, Sheikh Hasina conceived and brokered the Three Nation Business Summit, the landmark meeting between India, Pakistan and Bangladesh that takes place today in Dhaka.

Long-term goals

Despite such remarkable progress in such a short time, Bangladesh is still far from achieving its long-term goals. With 125 million people living on 55,000 square miles of territory (roughly the size of North Carolina), it's one of the globe's most crowded countries. With only about half the population living above the poverty line and a per capita income of $283 per year, it's also one of the poorest.

The government must still tackle pressing issues like torpid bureaucracy, high unemployment and macroeconomic stability. Trade unions also hamper reform efforts, particularly privatization, out of fear that it will lead to layoffs. The government has banned union activity in the country's bustling export processing zones, however, and is drafting legislation to curb disruptive union activity in other areas.

Except for textiles, manufacturing continues to grow at a sluggish pace. Ready-made garments and knitwear currently attract about 70 percent of total investment in the manufacturing sector. Other industries that draw foreign interest are pharmaceuticals and fertilizer.

Analysts say that if the nation's long-term industrial strategy has any hope of success, Bangladesh must diversify its manufacturing base significantly. But at the end of the day, no one can deny that the tiny nation has made tremendous strides over the last two years.

"Bangladesh is a country with great economic potential," says Yussuf Harun, president of the Federation of Bangladesh Chambers of Commerce and Industry. "Its rich natural endowments, vast human resources and geographical location make Bangladesh an attractive destination for investment."

"Bangladesh can no longer be dubbed as a bottomless basket," says Sheikh Hasina. "We want to stand with head high in the world with a strong economy." ●

3-NATION SUMMIT IN DHAKA

Historic meeting represents breakthrough for Bangladesh's prime minister.

The Three Nation Business Summit between Bangladesh, India and Pakistan beginning in Dhaka today is an extraordinary achievement for a region that has been plagued by political crises and economic turmoil for most of the last 50 years.

Hailed as the dawning of a new era for South Asia, the summit will bring together top business and political leaders from Bangladesh, India and Pakistan for the first time since independence from Britain in 1947. Despite obvious political advantages, the summit's primary goal is to forge closer economic cooperation among the three neighbors, especially between members of their respective private and public sectors who may have had little or no contact with one another in the past.

Forging business ties

To that end, summit organizers will adopt a declaration of economic cooperation that will function as a blueprint for future trilateral business relations among Bangladesh, India and Pakistan.

"South Asia remains one of the world's poorest, most illiterate and malnourished regions," Bangladesh's Prime Minister Sheikh Hasina said in announcing the summit last year. "Its economies are poor, agrarian and vulnerable to outside shocks of all types. The pace of poverty reduction, particularly for the extremely poor, has been distressingly slow. Much more needs to be done." She hopes the summit will provide a huge boost in that direction.

Delegates will have an opportunity to exchange ideas on joint trade, investment and development ventures; review their economic policies; and establish new institutional linkages to encourage three-way economic development. They will also examine ways to liberalize foreign investment, imports and exports in the region, and discuss how free trade mechanisms adopted by the European Union and North American Free Trade Association (NAFTA) can be modified for use in South Asia. The summit marks a major political coup for Sheikh Hasina, who convinced Pakistan's Prime Minister Nawaz Sharif and Indian interim Prime Minister Inder Kumar Gujral to attend the gathering despite enduring tension between the two South Asian superpowers.

Never before have so many top leaders from the three nations gathered together in one place. The Bangladeshi government delegation will comprise the foreign, finance and commerce ministers as well as the minster of foreign affairs. Pakistan's delegation is expected to include that country's foreign, finance and commerce ministers. The Indian team will probably include the state ministers of commerce and foreign affairs.

Sheikh Hasina will chair the summit's opening session, during which Mr. Sharif and Mr. Gujral will make statements. Leaders of the three private-sector business teams will also give opening remarks. Afterwards, delegates will attend working sessions on topics like energy, trade and infrastructure hosted by the foreign minister of Bangladesh.

Extraordinary achievement

Originally scheduled for November 23, the summit was postponed at the request of both Islamabad and New Delhi, which had domestic political tumult to deal with. Confronted by a real danger that the summit might never take place, Bangladesh officials launched another round of shuttle diplomacy among the three capitals, securing new commitments from both Pakistan and India to attend the January parley.

The summit is another feather in the cap of Sheikh Hasina, who since taking office in June 1996 has emerged as the guiding light of economic and political progress in South Asia. She played a pivotal role in both the World Food Summit in Rome and the Micro-Credit Summit in Washington. She was also one of the primary movers and shakers in a new subregional cooperation pact among Bangladesh, India, Bhutan and Nepal. During her administration, the country has also joined the D-8 and BISTEC economic groups, which link developing nations in Asia, Africa and the Middle East. ●

A LEADER FOR REGIONAL COOPERATION

By hosting the Three Nation Business Summit, Bangladesh emerges at the forefront of regional cooperation in South Asia. But it certainly isn't Dhaka's first step into the global diplomacy arena and probably won't be the last. Bangladesh has been an active member of the South Asian Association for Regional Cooperation (SAARC) — the only organization that links every nation in South Asia — since it was formed in 1979. Other members include Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. Until quite recently, SAARC was a largely symbolic group without any real economic or political teeth. But the last round of GATT talks and the creation of the World Trade Organization prompted regional leaders to revitalize SAARC into something that was more able to meet the challenges of the free-trade conditions of the 21st century.

The result of this effort was a new regional trading agreement called SAPTA — the South Asia Preferential Trade Arrangement — formed in 1995 under the auspices of the GATT Enabling Clause. SAPTA strives to create genuine free trade between the seven members by eliminating tariffs and other barriers. Backers of the agreement view free trade as the cornerstone of a prosperous future in the region. Members hope that liberal trade will stimulate more investment opportunities and more production in their respective manufacturing, agriculture and service sectors, leading to lower unemployment and a higher standard of living. One of the key provisions of SAPTA is special and favorable treatment of the least developed member states, an understanding that respective levels of economic and industrial development must be taken into consideration in order for the bloc to run smoothly. Meanwhile, foreign ministers of the seven SAARC states have agreed that the region should strive for realization of a South Asian Free Trade Area (SAFTA) between the years 2000 and 2005. In recent years, Bangladesh has also joined several new regional economic groups, including the South Asia Growth Quadrangle (SAQC), BISTEC and the Developing Eight (D-8). SAQC comprises four states wedged between the Bay of Bengal and the Himalayan mountain range: Bangladesh, India, Nepal and Bhutan. Until the advent of the Three Nation Business Summit, SAQC was generally viewed as Bangladesh's best hope for regional business development in future years, and it will undoubtedly remain an important group because of the close proximity of the four members. BISTEC links four nations around the Bay of Bengal: Sri Lanka, India, Bangladesh and Thailand. D-8 embraces largely Islamic nations in Asia, Africa and the Middle East, including Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

BANGLADESH INFORMATION AND WEB SITES

INVESTMENT INFORMATION

Federation of Bangladesh Chambers of Commerce & Industry (FBCCI)
60, Motijheel Commercial Area
G.P.O. Box No. 2079, Dhaka-1000 Bangladesh
Tel: (880 2) 956 0588, Fax: (880 2) 863 213

Board of Investment
Shilpa Bhaban
Motijheel Commercial Area
Dhaka-1000 Bangladesh
Tel: (880 2) 956 1430, 956 1433, 955 9378, Fax: (880 2) 956 2312

Bangladesh Net
Facts and figures, arts, literature, education, media and links to corporate Web sites: www.bangladesh.net

UNDP Web Site
General information and investment opportunities: www.undp.org/missions/bangladesh

Dhaka-Bangladesh
English-language newspaper Web site updated daily: www.dhaka-bangladesh.com

TOP PRIORITY IS INVESTMENT

Foreign investors are at home in Bangladesh.

Bangladesh offers a very attractive package of incentives to investors, perhaps the best in South Asia," says Yussuf Harun, president of the Federation of Bangladesh Chambers of Commerce and Industry.

Indeed, the country's Board of Investment is actively seeking out new overseas investment and making it easier for foreign companies to operate in Bangladesh. One of its top priorities is creating a transparent and operational regulatory framework for foreign-owned entities.

Recently introduced incentives include a 5- to 12-year tax holiday for foreign investors, duty-free import and export of machinery and raw materials for anyone operating at the country's Export Processing Zones (EPZs), full repatriation of profits and capital gains, multiple entry visas and liberal work permit policy and legal reforms that include protection against nationalization and expropriation.

Bangladesh offers a number of attractive investment factors, including cheap, plentiful labor with average wages at roughly $40-$70 per month. Positive macroeconomic factors include low inflation, modest fiscal deficit and a stable currency compared to elsewhere in Asia. In addition, the government allows 100 percent foreign equity and ownership on all industrial investments.

The country also has distinct geographical advantages. Bangladesh is located virtually as a land bridge between the emerging markets of South Asia and the markets of Southeast Asia. This offers limitless opportunities for foreign investors.

Infrastructure and energy

Infrastructure development is considered one of the most promising areas for foreign investment. The country's infrastructure needs are overwhelming: there is one telephone line for every 500 inhabitants and electricity for only 17 percent of the population at the present time.

The government estimates that Bangladesh must attract at least $5 billion annually in new infrastructure investment in order to achieve significant advances over the next decade. Recently, the World Bank approved a $235 million credit to encourage private-sector infrastructure development in power, water and other vital areas

Mineral exploration and production is another promising area, especially oil and gas. Last year, the government opened bidding for the exploration of 15 remaining natural gas blocks around the country. Twenty-one international oil companies have thus far expressed interest. Current gas reserves are estimated at about 23 trillion cubic feet (TCF) of which about 13 TCF is recoverable.

"Natural gas is playing an increasingly important role in the energy sector in Bangladesh," says Mosharraf Hossain, chairman of Petrobangla. "There is no alternative but to discover new gas reserves. Since oil and gas exploration is a risky investment, the utilization of state resources for this type of activity is better avoided."

A wide range of other sectors are also open to foreign participation, including textiles; agribusiness, aquaculture and food processing; leather and rubber (tires and tubes); electronics and appliance manufacturing; chemicals and allied industries like paper and pulp, plastics, pharmaceuticals and pesticides; glass and ceramics; computer software and data processing; and engineering industries like shipbuilding and agriculture machinery.

The government has also enacted laws enabling private investors to develop and manage special industrial parks called Export Processing Zones (EPZs). South Korean investors are already developing the country's first EPZ, a $200 million project approved last year.

"Bangladesh EPZs are excellent places for setting up labor-intensive, high-tech industries and the relocation of industries from abroad," says Moazzem Hossain Khan, executive chairman of the Bangladesh Export Processing Zones Authority (BEPZA). "As a result of low wage bills and import costs, the cost of production can be kept low in the fiercely competitive world market." ●

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EDITORIALS/OPINION

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The IMF Can Do Better

Top officials of the International Monetary Fund rushed off to Indonesia this week to stanch an economic hemorrhage that the Fund concedes it worsened itself. Deputy Treasury Secretary Lawrence Summers, representing a worried Clinton administration, followed close behind. Americans are understandably wondering whether the Fund can be trusted to put together these kinds of bailouts and whether taxpayer dollars ought to be turned over to it so that it can indirectly repay Western banks that made foolish loans.

The truth is that the IMF is the only organization that can organize an international response to financial crisis. Left alone, currency crises can bounce from one country to another, leading to needless turmoil and economic contraction. If the IMF stepped aside, the United States might have tried to prop up South Korea on its own, hardly an enviable prospect.

The existence of financial turmoil in Asia is not surprising. Every region suffers some economic turbulence, including the United States in the 1980s. What is surprising is the speed with which some of the world's fastest-growing economies disintegrated.

Recent events prove that the prosperity in Thailand, Indonesia and South Korea was built in part around a core of financial rot. Corporations ran on large amounts of loans, which can flee when business turns down. (In the West, corporations rely more on shareholder equity, which does not so easily evaporate.) Worse, bankrupt corporations were propped up by loans from banks responsive to political leaders, as in the case of Indonesia, or beholden to corporate conglomerates, as in South Korea. Corporate failures in Thailand triggered a currency devaluation, spreading Thailand's turmoil to South Korea and other trading partners. Once investors grew fearful that Korean banks would default, they fled and left corporations starved for the loans they needed to survive.

The IMF has correctly focused on excising the rot. Its bailout conditions require South Korea, Indonesia and Thailand to clean up their banks and, more important, to adopt rigorous accounting and auditing systems that give investors an accurate appraisal of financial health.

The Fund would also put a stop to crony capitalism, the practice of making loans for political purposes.

Indonesia added to its problems by stalling on the IMF-imposed reforms. But the IMF erred, too, as critics charged and the Fund's internal report now admits, by precipitously closing 16 banks, a rash action that alarmed investors. It also cracked down too hard on the fragile Korean and Indonesian economies by requiring them to tighten fiscal and monetary policies, the opposite of what was needed in economies sinking into recession.

There may be ways to prevent, or at least better predict, future crises. The more than 180 IMF member countries should agree, for example, to disclose the true state of their financial institutions according to the open and exacting standards common in the West.

But it is also important that the IMF itself be more open. It plays a powerful role around the world, yet its policy prescriptions and analytical assessments remain largely secret. Had it initially disclosed more about its approach to South Korea and Indonesia, some mistakes might have been avoided or identified more quickly. That could have spared millions of innocent workers throughout Asia needless pain.

—THE NEW YORK TIMES.

Our Man in Havana

Two important, elderly figures of the Cold War are about to meet and contest in Cuba. The host, Communist leader Fidel Castro, still seeks legitimacy after 39 insecure years in power. His guest, Pope John Paul II, tested anti-Communist and underminer of established Communist regimes, seeks religious and political freedoms for Cuba's millions. In what is shaping up as a classic end-of-era confrontation, our man in Havana — that is, one representing the claims of democracy — is John Paul.

For all of the Castro repression, Cuba remains a heavily Catholic country and to that extent at least an anti-Communist one. Mr. Castro's revival of the Christmas just past as a public holiday was for him a token gesture, but for Cubans it marked official recognition of a traditional chosen identity. The 77-year-old John Paul represents precisely the future — individual liberty — that the 71-year-old Castro denies.

The Pope has precise ideas about how to open up the closed and disciplined Cuban society. He believes that the larger post-Cold War circumstances have now changed enough to make possible a fruitful dialogue with the ruling dictator — and with religious and other elements of Cuba's emerging civil society. Now there is the prospect of a peaceful transition to democracy.

John Paul speaks from a vastness of experience and success that no active figure anywhere can match. His approach differs from the longtime American emphasis on isolating and embargoing Cuba. A bit of a good-cop, bad-cop act is unfolding here. The Pope is in a position to offer concessions that a U.S. government would have trouble making — and to reap concessions that the Cuban government could never make to the United States. Such an approach will work, however, only if the American government moves its policy out of the time warp in which it still is caught and makes its own timely acknowledgment of change.

Here lies the political importance of the Pope's reception. It carves out extra space for a policy reconsideration by the United States. Fidel Castro, with the fall of the Soviet Union and the rise of Latin democracy, long ago lost a capability to harm American security interests. His model of crumbling totalitarian rule has no takers anywhere. What remains to be consummated in Cuba is a passage to democracy and to normal relations with the United States. John Paul is showing the way.

—THE WASHINGTON POST.

The Big Ice Storm

Deep cold, undiluted darkness, unsolicited silence — that is what remains when the power goes down in winter and stays down, as it has this past week after a terrible ice storm along the St. Lawrence River.

The temporary loss of power, when it happens in summer, seems almost insubstantial, the ghosting away of something whose presence was almost ghostly to start with. When the power comes on again, it feels as though a tide has come in, lifting everyone.

But in this storm — five days of ice and freezing rain followed by bitter cold — the power did not merely fail. Ice pulled the lattice of electricity down by main force. In some parts of New York, Maine, Vermont, New Hampshire and Quebec, the tide of restored power will take a very long time to come in. By the time it arrives, the waiting will feel like a custom whose origin has been lost.

A storm like this reveals the shallowness of technological civilization — how swiftly the grid collapses. But it also reveals its depth — into how many reaches of ordinary life electricity has penetrated and how high above the fundamental concerns of existence it allows us to float.

This storm demonstrates the slow, brutal strength of the cold. The wonder is not that cold is so powerful but that we are so seldom aware of its power, of its capacity to fracture a community, to isolate it, and, as events have proved, to draw it together as well.

Trees crack in the night with the insinuating cold. Every surface looks coated with glass.

The theory has been advanced that humans, over millennia, evolved as they did partly in response to swift climatic change. Ice ages, not ice storms, are what those theorists have in mind. But if this storm does not quite carry an observer back to the dawn of Homo sapiens, it does carry the imagination back to the 19th century, even to the era of Jacques Cartier, when, for him and for the tribes that met him, there was no power to wait for, only the warmth of a sheltered fire.

It has always been frigid along the St. Lawrence, and its people have always been tough, as they are proving once again.

—THE NEW YORK TIMES.

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Tehran's Overture Is an Opportunity for America

By William Pfaff

PARIS — The interview given to CNN last week by President Mohammed Khatami raised basic questions not only about U.S.-Iranian relations but also about U.S. policy with respect to the so-called "rogue nations."

The stereotypes that have dominated American government and press discussion of Iran were challenged by the intelligence, cultivation, and moderation of Mr. Khatami's remarks.

Washington's restrained but positive response was appropriate. Neither government profits from the hostile relations that now exist, while both would benefit from changing their relationship to one in which divergent interests are acknowledged but treated in a context of serious dialogue. This clearly is what the American government wants.

Iran has legitimate complaints against American policy during the period when the United States, having placed Shah Mohammed Reza Pahlavi on the throne, supported him as its principal ally in the Muslim world, cynically encouraging his belief that he would make Iran a superpower.

The Nixon administration's contribution to the shah's latter-day megalomania, and CIA complicity in his repression of dissidence, were even more ignoble than the Carter administration's pusillanimous abandonment of him once he had been overturned by the fundamentalist revolt instigated by Ayatollah Ruhollah Khomeini.

The ayatollahs' revolution has now reached its *Thermidor*. The absolutist clergy still have much power (the new president exhibits great prudence in challenging their views), but the electorate has overwhelmingly endorsed the relative liberalization and opening to the world that he represents.

Better relations would obviously serve U.S. longer-term interests, but the short-term obstacles in Washington are serious. Mr. Khatami said he wants to engage the American people in "a thoughtful dialogue," rather than the government. Even if that distinction were a useful one in international relations, an improved relationship can come only from U.S. government decisions that have support in Congress and public opinion.

The critical obstacles on the American side are terrorism and weapons of mass destruction. Mr. Khatami denies that Iran is building such weapons or supports terrorism, but the record shows official sympathy for terrorist acts and clandestine involvement with terrorist groups and hostage-takers.

Terrorism is the weapon of the weak. Some also have been directly or indirectly compromised by it who are not weak, including the United States in Indochina and even, according to recent investigations in Europe, in Italy in the 1960s and 1970s, to block a leftward opening by the Italian government.

Several wrongs do not make a right, but they make it necessary for realistic governments to draw a line separating past from present. This is not easy when the terrorist record is exploited by political and commercial enemies of normalized U.S.-Iranian relations.

Iran has been the friend of American enemies and is the enemy of American friends. It is a rival oil producer to other American Mideastern friends. Its continued isolation suits many interests, but also gives it reason to build mass-destruction weapons, the ultimate recourse of state sovereignty.

Isolating Iran is neither realistic nor sustainable as U.S. policy for the long term. The eventual result would be America's isolation, rather than Iran's. Even now the administration is squirming and twisting to find a way to avoid the harm to real U.S. interests that would come from carrying out the reprisals against foreign companies and individuals dealing with Iran and Cuba that Congress has mandated.

Washington's habit of naming "rogue states," imposing sanctions on them and trying to force other countries to boycott them, is now creating more problems than it purports to solve.

Nominating Iran, Cuba, Libya, Sudan and Iraq (and China in the not so distant past) as pariah states, Washington has accomplished little more than add to the general fund of human unhappiness. It has rarely deterred one of those governments from doing whatever it really was determined to do.

Iran has been a major power in the Near East since antiquity. Five centuries before the Christian era, the Persian empire extended from Greece to today's Pakistan and Afghanistan. It remains the major power in the region, and because of its energy resources probably the richest one. The region as a whole, where Iran is steadily developing its influence, promises to become the most important energy source on earth.

The notion that the United States can somehow continue to deprive Iran of the power and influence bestowed on it by resources and geography is neither intellectually serious nor politically realistic. The new Iranian president's initiative is an opportunity for Washington, not a challenge.

International Herald Tribune
Los Angeles Times Syndicate

This Asia Panic Challenges Policymakers Everywhere

By Robert J. Samuelson

WASHINGTON — There is now a dawning recognition that Asia's financial crisis could be far more than a minor mishap for the world economy. This is a global version of a banking panic.

Foreign investors are withdrawing massive amounts of money, and local investors are dumping their own currencies for dollars. These crises continue to feed on themselves.

Asia's slump will be worse than originally forecast. Gregory Fager of the Institute of International Finance says South Korea's GDP could drop by 3 to 5 percent this year. We will probably see downward revisions for other affected countries: Thailand, Malaysia, Indonesia, the Philippines and China.

Their deeper slumps will in turn darken the outlook for Japan, which sends nearly half its exports to the rest of Asia. "You're going to have massive bankruptcies in Asia," says the economist Desmond Lachman of Salomon Smith Barney. "That has a disproportionate impact on Japan."

Investment spending will drop. Japan is a heavy exporter of investment goods (factory machinery, construction equipment, communications gear) to Asia. Under Mr. Fager's forecast, for example, South Korea's investment spending plunges by at least 25 percent.

Think of Asia's economies as a series of banks. In the 1990s they received huge inflows of foreign funds. A lot of these funds actually were loans from foreign banks to local banks and companies. At year-end 1996, such foreign bank loans totaled $100 billion to South Korea, $70 billion to Thailand and $56 billion to Indonesia.

These funds (mostly dollars) were converted into local currencies and fueled a spending boom. But now the foreign funds are fleeing because local borrowers used the money for bad investments — unneeded office buildings or factories.

There is a vicious circle. Lending and spending drop. Local currencies plunge as they are sold for dollars. Imports become more expensive and decline; the world economy suffers.

After the Great Depression, most industrialized countries learned to cope with domestic banking crises. There are three defenses: provide deposit insurance, so that depositors will not panic in the first place; close banks with bad loans to maintain confidence in the banking system; and have a lender of "last resort" (the central bank) make temporary loans to banks if there is a panic.

But these mechanisms do not exist globally. There is no worldwide central bank to provide temporary loans or shut bad banks.

A lot of the daily story of the Asian crisis is an effort to mimic these defenses. The IMF has organized huge credits ($57 billion for Korea, $43 billion for Indonesia, $17 billion for Thailand) to replace some of the lost foreign capital. South Korea is negotiating with private banks to substitute long-term bonds for short-term loans. "Reforms" sought by the IMF — closer supervision of local banks, more disclosure of financial information — aim to restore confidence among overseas investors.

No one knows if the effort will succeed. By their nature, panics are unpredictable. One problem leads to another. One country's currency depreciation may lead to another's.

China has already suffered a loss of competitiveness compared with its Asian neighbors that have devalued. Will China devalue? Will foreign capital flee other developing countries (Brazil, Mexico, India)?

The optimism about the limited impact of all this could still be vindicated. It presumed that forward momentum of the U.S. and European economies would overcome Asia's adverse side effects. But what if squeezed exports cause companies to cut investment? Or suppose disappointing profits depress stock prices, and then pessimistic investors curb their spending?

What we are witnessing is a dramatic redistribution of global capital and its aftermath. What economists blandly call "policy challenges" abound from Seoul to Tokyo to Washington. Confidence depends on how well they are handled.

Washington Post Writers Group.

Déjà Vu in Indonesia So Far, and Worse Trouble Could Be Coming

By George Hicks

JAKARTA — The collapse of the Indonesian rupiah in 1965 makes the present collapse look like the early stages of 1965. Further massive drops are more likely than not.

From June to September 1965, President Sukarno's kidneys were giving out. His visible decline caused tension and a feeling that something dramatic had to happen. Today President Suharto's health is failing, and there is rising uncertainty — everyone is asking: Who will replace Suharto?

The political, bureaucratic and legal system over which Mr. Suharto presides is unchanged in essence from that of the late Mr. Sukarno.

In 1965, anti-Chinese riots were breaking out in Java. Recent riots in Bandung and other parts of Java are similar.

Exchange control in 1965 prevented a sudden outflow of Chinese capital and subsequent disaster for the rupiah. Now there is no exchange control, and a single serious attack on the Chinese in Jakarta could reduce the rupiah almost instantly to a fraction of its present value.

Given the hatreds that lurk just beneath the surface, the mounting poverty and unemployment of native Indonesians and the insensitivity of many Chinese, this is a possible scenario.

In 1998 a collapse of the rupiah can shake Wall Street. Few companies in Indonesia will be able to pay their foreign currency debts, which may well exceed $100 billion. What will happen when the full extent of debt defaults is known?

The late Mr. Sukarno's children were not involved in the economy. Today the Suharto children are in every place where real money is to be made. This has caused intense popular resentment, and the IMF is trying to get Mr. Suharto to overturn some of the worst examples of nepotism. Most informed Indonesians are skeptical of success, because the ruling family is so deeply entrenched in the economy.

Mr. Suharto succeeded long ago in virtually depoliticizing Indonesia, leaving no meaningful parties or opposition. In 1965 the Communist Party formed a major center of power that confronted the army. Mr. Sukarno played a balancing role between those forces, and it is generally thought that his failing health led the Communists to make a preemptive strike for power.

His victory over the Communists, after senior generals had been murdered, was followed in the next six months by a bloodbath in which perhaps half a million people were killed.

That bloodbath scenario can hardly be repeated today, but a sharp increase in poverty could lead to street violence and a breakdown of law and order.

The writer, an economist and historian who has lived in Southeast Asia since the 1960s, contributed this comment to the International Herald Tribune.

Are Asians Partners to Be Helped or Rivals to Be Hurt?

By Martin Khor

PENANG, Malaysia — As the Southeast Asian economic situation continues to deteriorate, people in the region are fast losing confidence in the international programs that are supposed to resolve the crisis.

Many Asians think that the problems have worsened not despite but because of the bailout schemes for Thailand, Indonesia and South Korea.

The IMF has come under widespread and fierce attack for its policies and nontransparent process, and for the way its major shareholders have manipulated the rescue packages to their advantage.

The most widespread criticism is that the IMF's macroeconomic policy conditions — especially the raising of interest rates, low inflation targets despite the currency depreciation, cuts in government spending and general economic contraction — are misplaced.

The standard IMF policies were originally designed for economies with high budget deficits and external debts in the public sector. They are counterproductive in Asian countries whose problems are centered on the private sector.

Together with a condition barring aid to troubled banks and companies, these tight fiscal and monetary policies further weaken or kill off companies and banks. Thus they erode instead of boosting public and investor confidence, which is what Asia most needs.

For several years, industrial nations have used bilateral pressures or multilateral fora like the World Trade Organization to try to get developing countries to allow foreign companies higher equity ownership and greater market access. Many Asian countries justifiably argued that liberalization had to be gradual, as their domestic firms needed time to become more competitive. Opening up too fast would result in transnational corporations displacing local enterprises and dominating their economies.

The rich countries are now making use of the IMF programs to force a rapid or even an immediate opening up of the troubled Asian countries.

In Thailand, where laws were changed in October to allow foreign majority ownership in Thai financial institutions, foreign banks have been actively arranging to take majority shares in many Thai banks and finance firms.

The American Chamber of Commerce in Bangkok is pressing the government to open up the economy further. Last month it issued a statement calling for additional financial liberalization, lifting of all restrictions on foreign ownership of assets, greater foreign participation in the services sector and tariff cuts.

As part of its IMF deal in early December, South Korea agreed to raise the limit of foreign ownership in local listed companies from 26 to 50 percent, in mid-December 1997 and to 55 percent in December 1998.

The IMF also pushed South Korea to let foreign banks establish subsidiaries and brokerage houses by mid-1998 and enable foreign companies to have access to domestic money-market instruments and the corporate bond market.

At Christmas, under the pressure of facing a debt default, South Korea agreed to a revised package. All restrictions on foreign investments in the financial markets and banking sector are to be lifted. Foreign banks and brokerage houses can establish full operations as of March 1988. The bond market will be fully opened to foreign participation by the end of 1998. Foreign investors can acquire 55 percent of listed companies since Dec. 30, and 100 percent by the end of 1998.

These new policies pave the way for foreigners to take over South Korean companies and financial institutions. As the won is at a low level, and the market value of local institutions is low due to their debt burden and the collapse of the stock market, foreigners will be able to pick up assets at bargain basement prices.

Speaking to the Confederation of British Industry in London recently, Mickey Kantor, the former U.S. trade representative, said the troubles of the "tiger" economies should be seized as golden opportunity for the West to reassert its commercial interests.

Such comments heighten the suspicion that the rich countries are using the rescue packages to their own advantage. No wonder they are greeted with resentment and street demonstrations by many Asians who increasingly see them as instruments for a Western (and Japanese) takeover of some of the region's most dynamic developing economies.

An equally disturbing aspect of the bailout schemes is the way they are turning out to be a bailout not of the troubled countries but of their international creditors.

Now that steep falls in these countries' currencies have rendered a large part of these loans unrepayable, the foreign creditors are trying to find ways of getting the governments to foot the bill.

The first country where this is being tried is South Korea. Of its total $153 billion external debt, $99 billion is owed by Korean banks and another $43 billion by corporations. In exchange for rolling over Korean financial institutions' short-term debts, the foreign banks want the Korean government to guarantee or take over the loans of the Korean banks.

The way the IMF and the rich countries are dealing with the crisis will result in a backlash of resentment and anger when ordinary Asians become aware of what the "rescue" is all about.

It is not too late to review and change the rescue terms. The programs should address the crisis of confidence instead of making it worse; allow for counter-recession policies and selective aid to local financial institutions, instead of generating deflation and bankruptcies; and arrange for an equitable sharing of losses between foreign creditors and local institutions and people.

The rich countries should view Asian nations as partners to be helped in times of trouble, and not as rivals to be stepped on when they have stumbled, or golden opportunities for taking over market share when their assets are grossly undervalued.

The writer is director of the Third World Network, a Malaysia-based research and policy organization. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Zola Denounced

PARIS — The students of the Latin Quarter continue to demonstrate against M. Zola, thus posing as the champions of the army. The effervescence was, however, more gay than annoying, though the Prefecture of Police had taken serious precautions. At the close of M. Beauregard's lecture the students came rushing from the lecture room, crying: "Conspuez l'Aurore!" "A bas les traîtres!" One of them, leading the procession which had been formed, carried on the end of a pole a placard representing M. Emile Zola, underneath which was written: "Zola à la potence."

1923: 'English Spoken'

PARIS — Paris is in a go-ahead mood. Her taxi drivers, not content with setting the pace for the world in the speed for street traffic, are joining with the motor-bus and street-car conductors in emulating the examples of those policemen who are entitled to sport on their uniforms the badge "English Spoken." They have organised classes at the headquarters of their trade unions in a praiseworthy attempt to avoid tiffs with Americans and other English speaking visitors by learning some of their "lingo."

1948: Fast Is Lifted

ROME — The Roman Catholic Church decreed that Catholics may again dispense with the duty of observing fast and abstinence during 1948, continuing the policy adopted during the war, because of hardships faced all over the world. The Vatican said that two exceptions are made for 1948 however: Ash Wednesday on February 11 and Good Friday on March 26, when fast and abstinence are to be observed.

هكذا من الأصل

OPINION/LETTERS

Saddam's Stranglehold, Clinton's Conciliation

By Jim Hoagland

WASHINGTON — Remembering what you set out to accomplish is said to become the hardest part of any complex human endeavor. America's seven-year effort to punish Iraq's aggression against its neighbors and prevent future outrages is now endangered by the differing ways political memory serves Saddam Hussein and Bill Clinton.

Circumstances and his own personality force the Iraqi dictator to cling to original purpose with rare clarity and ruthlessness.

His rage and resentment fuel a boundless determination to wreak havoc and destruction on Israel and the United States. Arab neighbors not willing to help in this endeavor deserve to perish.

So does an Iraq that is unable to achieve the dictator's grandiose, deadly aims.

This is the key to understanding the mind and memory of Saddam Hussein: An Iraq that fails him and his ideology deserves to be destroyed. Economic sanctions, pinprick bombing raids and other steps that punish Iraq's people but do not shake his hold on power are not deterrents to him. The population's suffering proves its devotion and obeisance to the ruler. Why should he deprive them of that opportunity?

History has for its amusement juxtaposed Saddam Hussein's stranglehold on original purpose with Bill Clinton's willingness to shift goalposts at the drop of almost any hat that promises compromise, conciliation or problem avoidance. On most foreign policy problems, Mr. Clinton's political memory seems to grow shorter as obstacles to a once essential objective mount.

Remember how the October summit meeting with Jiang Zemin was supposed to help secure China's cooperation on pollution and environmental security, a matter of particularly grave concern to the president before the summit? That theme disappeared last month when Beijing stiffed Washington in the crudest possible terms at the Kyoto conference on climate change, without paying any price.

Incremental spin control over news cycles has become synonymous with damage control for this administration. But they are not the same, as the extended confrontation Saddam Hussein has provoked over UN inspection rights demonstrates in its third month.

The administration's lame explanation for its passivity is that the dictator is stupidly punishing himself: Economic sanctions will stay on Iraq longer because defiance delays the day when the Security Council will lift them.

The explanation is lame not only because Saddam Hussein doesn't care about sanctions.

It is lame because it is not true: Russia, with French support, is now pushing a resolution in the Security Council to close out inspections in Iraq for nuclear facilities and hidden missiles.

Moscow, Paris and other nations believe the standoff has demonstrated the need for sanctions to be lightened and for Iraq to have "light at the end of the tunnel." A U.S. veto of the Russian move is likely to exacerbate the growing international opposition to sanctions and complicate Mr. Clinton's planning for a probable midyear summit meeting with Boris Yeltsin. Sanctions cohesion is fragmenting.

Finally, the explanation is lame because it obscures the original purpose of the U.S. and international stand against Iraq.

Maintaining economic sanctions against Iraq is not a sustainable policy objective in and of itself. Nor are the inspections an end unto themselves, as White House and State Department spin controllers seek to suggest.

Iraq agreed to accept unfettered intrusive inspections to obtain the cease-fire that ended the Gulf War in March 1991.

Within 120 days of the U.S.-dictated cease-fire, Iraq was to have destroyed all its weapons of mass destruction and the facilities to produce them. Baghdad was also required to turn over all manuals and information for building atomic, biological and chemical weapons and long-range missiles, and a list of its foreign suppliers.

These unprecedented restrictions constituted a recognition by the international community of the uniquely predatory threat posed by Saddam Hussein's regime. But Baghdad has single-mindedly chipped away at its pariah status, slowly winning from the United Nations treatment as a sovereign member of the family of nations again.

Iraq is nearly six years overdue on its obligations to the international community. But Washington wanders through each new confrontation with Saddam Hussein as if trying to remember an increasingly distant original purpose, refusing to take the lead in declaring Iraq in material breach of a cease-fire purchased with American, European and Arab blood.

No one should forget what that cease-fire cost, nor what it was intended to accomplish, however convenient forgetfulness may seem at the moment.

The Washington Post.

In a Growing Universe, Can the Hotel Be Full?

By John Allen Paulos

PHILADELPHIA — New data from two teams of astronomers lend support to the idea that the universe will continue to expand forever and is potentially infinite.

While these studies resolve some mysteries, they leave others untouched.

For instance, it does not take an analytic philosopher to feel uneasy when applying temporal and spatial concepts to cosmology. In these new studies, the term "Big Bang" is seemingly used in a standard way, but is it?

"Five minutes before the opening kickoff of the Super Bowl" makes sense, but what is meant by "five minutes before the Big Bang"?

The concept of infinity is particularly puzzling. In abstract terms, it has been shown by mathematicians to make perfect sense.

There are, for instance, infinitely many numbers.

But applied to the physical universe, the concept of infinity becomes much more elusive, if not ridiculous. Imagine arriving at the Hotel Cosmic and being informed by an officious clerk that the hotel is full. "There is nothing I can do, I'm afraid," the clerk intones.

If you are feeling argumentative, you might inform the clerk that the problem is not that the hotel is full, but rather that it is both full and finite. If the hotel were full but infinite, there would be something he could do.

Although all the rooms would be full, he could tell the party in Room 1 to move into Room 2; the latter party could move into Room 3, whose present occupant could be moved to Room 4, and so on.

In general, the guest in Room N could be moved into room (N (fs20u)+ 1). This action would deprive no one of a room yet would leave Room 1 empty.

This is an interesting intellectual exercise (at least for us mathematicians), but tell me, does it help you secure a bed?

Archimedes may have been among the first to use very large numbers to measure the universe. For instance, by estimating the size of a grain of sand, he determined how many grains would be required to fill the universe.

(One wonders how he would react to the news that a steadily increasing number of grains would be required for the job.)

Archimedes also used elementary physics to speculate how long a lever would be necessary to move the Earth with the touch of a finger.

(Suffice to say, it would be very, very long.)

Mathematics has gotten more complex since the days of Archimedes, but the same problems remain. Mathematical concepts, be they simple arithmetic or infinite set theory, make sense in the abstract, yet when applied to real things their logic frequently becomes quite problematic.

So while discoveries like a forever expanding universe are exciting, we all must distinguish carefully between abstract mathematical models and the physical entities they are meant to elucidate.

Of course, if the latest discoveries prove true, we have forever to sort things out.

The writer, a mathematics professor at Temple University, is the author of "Innumeracy" and "A Mathematician Reads the Newspaper." He contributed this comment to The New York Times.

MEANWHILE

LETTERS TO THE EDITOR

Islamic Silence

Regarding "Algeria Cannot Be Left Alone With Its Horrors" (Opinion, Jan. 9) by Flora Lewis.

The calls for action to stop the atrocious butcheries in Algeria are coming from the West. Where are the influential and selectively outspoken Islamic nations and international organizations? Where are the Arab spokesmen in the West?

JOSEPH LERNER.
Jerusalem.

Obesity as Symptom

Regarding "Obesity Is Not the Killer Doctors Thought It Was" (Jan. 2):

A doctor quoted in the story said that there is no good treatment or proven prevention for obesity — as though it were some mysterious ailment!

Obesity is simply a symptom of a disease that has infiltrated the entire Western world. We live in societies that worship passive entertainment and self-indulgence.

If we respected our bodies by feeding them healthily and by taking them out into the environment they were designed to revel in, obesity would not be such a problem.

ALISON MISSELHORN.
Palma de Mallorca, Spain.

Visiting Jaffa

Regarding "Going Down to Tel Aviv: Cafés and Chaos of Urban Israel" (Features, Dec. 26):

The article mentions "the beautifully restored ancient port of Jaffa, with its fine little art shops and cozy restaurants" and adds: "Beautifully restored old Jaffa is a city that has kept much of its Arab heritage, with a throbbing flea market and minarets."

This postcard image gives the impression of a quaint Arab ghost town lovingly restored. In fact, the port "restoration" project erased any trace of the rich maritime heritage of Jaffa. Similarly, old Jaffa's restoration is devoid of any reference to the city's Arab heritage and history.

To get a real feel for old Jaffa, tourists should visit the Arab neighborhoods of Ajami and Jabaliyye. Just south of the old city, they are a no-man's-land where several thousand Palestinians live in humiliating conditions.

ADILA LAIDI,
ANDRE MAZAWI.
Ramallah, West Bank.

Privacy Threatened

Regarding "Forget James Bond: The New Interpol Is the Real Thing" (Jan. 6):

I for one am not rejoicing at the establishment of the first building block of a world government, even if crime-fighting is its aim.

I see no way whatsoever to protect an individual's privacy in such a system. What a pity for the West to have won the Cold War only to impose international tracking and the wholesale loss of privacy.

What's next, international tax collection to fight money laundering?

ROBERT ELLMANN.
Prague.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

CAGNEY

By John McCabe. Illustrated. 439 pages. $29.95. Alfred A. Knopf.

Reviewed by Wilborn Hampton

IF it's true that imitation is the sincerest form of flattery, then James Cagney must have been the most adulated movie star in the history of Hollywood. It's a safe bet that any mimic who has ever stood before a comedy-club audience, not to mention countless party cutups and office clowns, has somewhere in his repertory an impersonation of Cagney, even if it's nothing more than hunching his shoulders and snarling, "You dirty rat."

Yet for all the familiarity of Cagney the actor, the man himself remained elusive, what his close friend Pat O'Brien called "a faraway fella." When John McCabe, the author of several celebrity biographies and an actor himself, undertook to ghostwrite Cagney's autobiography in 1973, the actor warned him that he had no intention to produce a "tell all" book because the average reader did not want to know "every jot and tittle about a guy's life and work."

Reminded that he himself liked to learn as much detail as possible about the myriad subjects that interested him, Cagney smiled and replied, "Jot, yes; tittle, no."

Now, more than two decades after that autobiography, "Cagney on Cagney" (1976), appeared and 11 years after the death of the actor, McCabe has undertaken to supply a few of the titles left out of the earlier book.

While the autobiography concentrated more on Cagney's early life, McCabe's new biography emphasizes his work as an actor. Indeed, the best parts of "Cagney" are the tales and reminiscences from the more than 60 movies he made in a career that spanned more than half a century, from "Sinner's Holiday" in 1930 to "Ragtime" in 1981.

This is a book that should be in the reference library of any serious film buff if only for the excellent indexes and appendixes, which include all Cagney's stage roles, radio plays, television appearances and feature films: complete with writer, director, cameraman and full cast.

"Cagney" is unashamedly written from the point of view of a devoted fan, although McCabe makes no attempt to hide the occasional irascibility and eccentricity of his subject. It is written in straightforward, workmanlike prose. Even lifelong disappointments, like the estrangement between the actor's wife and his brothers, are reported without commentary. Often, the author simply opens his interview notebooks and lets the actor speak for himself.

McCabe's passages on Cagney's professional life underscore the versatility of the actor's roles. He began life as a hoofer in Broadway chorus lines and even played vaudeville before getting his break in films in 1930. Cagney did it all: romantic comedy, westerns, war movies, musicals, Shakespeare, tear-jerkers and flag-wavers.

There was one 11-year period in which he didn't make a single gangster movie, from "Angels With Dirty Faces" (1938) until "White Heat" (1949). During that time he made such diverse films as "The Oklahoma Kid," "The Roaring Twenties," "The Fighting 69th," "The Strawberry Blonde," "Yankee Doodle Dandy" and "The Time of Your Life." McCabe provides a wealth of stories about every movie, from the actor's feuds with Jack Warner to how Cagney developed his characters in each film.

If there are no hidden scandals revealed in the book, it is only because Cagney never provided the material, as so many of his contemporaries did. He was happily married to the same woman, whom he lovingly called Willie, for 64 years; he went home after work every day instead of carousing with the rest of the cast; he read books between scenes instead of playing cards, and he liked most of the people he worked with.

One exception to the camaraderie he felt for his fellow actors and crews was Horst Buchholz, who kept trying to upstage Cagney in Billy Wilder's "One, Two, Three." "I got riled at S.Z. Sakall in 'Yankee Doodle Dandy' for trying to steal a scene, but he was an incorrigible old ham," Cagney said. "No harm in the old boy. But this Horst Buchholz character I truly loathed." Cagney never saw the finished movie because he didn't want to set eyes on Buchholz again.

A bonus to McCabe's film-by-film commentary on Cagney's movies, especially for aspiring actors, is the informative digressions on how he approached his roles. Cagney told McCabe he could sum up his acting technique in three words: "Just do it."

BUT Cagney also liked to add what he called "goodies" to a characterization. By that he meant finding something funny, or at least human, even in the worst and nastiest of villains, through which the audience could identify with the character. If there was a secret hidden in the Cagney formula, it was most likely in a reply he gave to Frank Sinatra, who once asked him how he could make gangsters so likable. "Be as tough as you want," Cagney said, "but sprinkle the goodies for laughs here and there. 'Cause anything they can laugh at, they can't hate."

New York Times Service

BRIDGE

By Alan Truscott

IS bridge a sport? That is not a trivial academic question, for on it hinges a matter of great importance to bridge players: the eventual inclusion of bridge in the Olympic Games.

The International Olympic Committee has for many years been trying to define "sport," and its first vice president, Marc Hodler of Switzerland, is pressing for a definition that includes the word intellectual. If he succeeds, bridge is likely one day to be part of the Winter Olympics. It has one obvious advantage for the organizers: No special stadium is required but simply a hotel with a ballroom or two. As a preliminary step, bridge will be included in the 1998 Asian Games, to be held in Bangkok.

Mr. Hodler has a strong interest in physical sports and in bridge. He has been president of the International Ski Federation since 1951 and was president of the Swiss Bridge Federation for 33 years. When he visited the World Championships in Hammamet, Tunisia, in October, he was an interested spectator of a Viewgraph match between two teams contending in the qualifying stage, Italy and China.

On the diagramed deal the Chinese North-South played safely in five clubs and made 11 tricks. In the replay, as shown, Italy was pushed to six clubs, after North bid four no trump as a strong take-out move. Five spades was a good save in the teeth of the vulnerability, for it is likely to fail by just one trick: After drawing two rounds of trump, West's correct play would be the heart king, which would have a happy result. To beat the contract by two tricks, for a penalty of 500, assuming a double, would have required double-dummy defense starting with the heart ace.

Six clubs would have been defeated by an unlikely king lead in clubs or hearts but had a chance after a normal lead of the spade king. South ruffed in dummy and should have made these plays: heart ace; heart ruff; club to the ace; heart ruff; spade queen forcing the ace and ruff; heart ruff; club jack; spade jack, discarding a diamond.

This would have left a four-card ending in which East would have only diamonds. A finesse of the diamond 10 or queen would force him to give two tricks to dummy and the slam would make.

In practice South played a diamond prematurely and was defeated. The Italians lost 10 imps when they could have gained 11, but they still won the match.

NORTH
♠ —
♡ A 6 4 2
♢ A Q 10 7
♣ A Q 10 6 5

WEST(D)
♠ A K 10 9 8 7 3
♡ K J 7 5 3
♢ —
♣ K

EAST
♠ 6 4 2
♡ 10 9 8
♢ K J 8 6 4
♣ 8 4

SOUTH
♠ Q J 5
♡ Q
♢ 9 5 3 2
♣ J 9 7 3 2

East and West were vulnerable.

The bidding:

West	North	East	South
1 ♠	Dbl.	2 ♠	3 ♣
4 ♠	4 N.T.	Pass	5 ♢
5 ♣	6 ♣	Pass	Pass
Pass			

West led the spade king.

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TribTech

In the Growing Satellite-Imagery Industry, a Few Strange Bedfellows

By Brian Knowlton
International Herald Tribune

THE satellite-imagery industry appears to be entering a phase of especially rapid growth, bolstered by new technology that allows detailed photos of clouds, land or oceans to be provided in days rather than months. The photos are enhanced to astonishing degrees of clarity and sold at prices low enough for individual farmers to afford.

An unlikely sounding bilateral alliance appears poised to grab a growing portion of this market: a venture between Space Imaging Eosat, a cutting-edge Colorado firm that is 49 percent owned by Lockheed Martin Corp., and the space program of India, which has origins so modest that one of its first rocket payloads had to be wheeled to a launching site on a cycle.

The marketing arm of the Indian Space Research Organization provides satellite images with resolution of up to five meters (16.5-feet), the finest now commercially available, putting it ahead even of commercial programs in more highly industrialized countries.

A satellite image with five-meter resolution is able to clearly define most objects of that length.

The five-meter resolution was to have been surpassed on Dec. 24, when EarthWatch Inc. of Longmont, Colorado, launched a three-meter-resolution satellite from a base in eastern Russia. The company had promised that its Early Bird images would end government monopolies on spy-quality space imagery. But ground controllers lost contact with the satellite. An EarthWatch spokesman said the company remained "moderately optimistic" about restoring contact.

Meanwhile, Space Imaging Eosat is nearing a scheduled March launching of its Ikonos satellite with one-meter accuracy, which would enable it to identify small plants. A rival, SPOT Image Corp. of Reston, Virginia, is to launch a new high-resolution satellite in March. Israel, Russia and China plan to do the same in the next few years.

Through these high resolutions, low pricing and quick turnaround, industry specialists say, the onetime dream of farmers being able to detect disease in a single tree without setting foot in an orchard, or of real estate agents being able to escort clients on 3-D virtual tours of neighborhoods in faraway cities, is moving closer to the routine.

The Indians have a large and growing constellation of satellites (12 are slated to be in space by 2004). With its low labor costs, India builds satellites at far below Western prices. It also hopes to be able to offer its Geostationary Satellite Launch Vehicle for commercial use once experimental launchings are completed, which a high-ranking Indian space official said would "happen very soon."

India's space program, based in Bangalore, had simple beginnings. It was designed less than three decades ago to help wrench a backward economy forward by increasing agricultural production, aiding urban planning and providing television services and telegraphy to rural areas. The program has grown rapidly, however, and spawned a rippling array of associated companies in the fields of aeronautics, avionics, propulsion, chemicals, materials and engineering.

Krishnaswamy Kasturirangan, chairman of the Indian Space Research Organization, says the program has helped Indians prepare for droughts, control flooding, develop fisheries and survey urban development. Satellites have provided better weather forecasting, saving hundreds of lives along the cyclone- and flood-prone eastern coast of the country.

India is now commercializing such services and claims to be making money off them.

NEW high-speed microprocessors enable clients, at reasonable cost, to view enormously large files of digitized information using desktop computers. "Imagery files can contain an immense amount of data," said Brian Webster, communications director for Space Imaging Eosat. "Our Ikonos imagery is 11-bit imagery, which means for every pixel," or dot, "on your computer screen, we use 11 bits to describe its color, its intensity.

"It would have been unheard of as recently as five years ago to provide this data to a commercial market, because the processing capacity didn't exist in an affordable form," he continued. "But that has all changed."

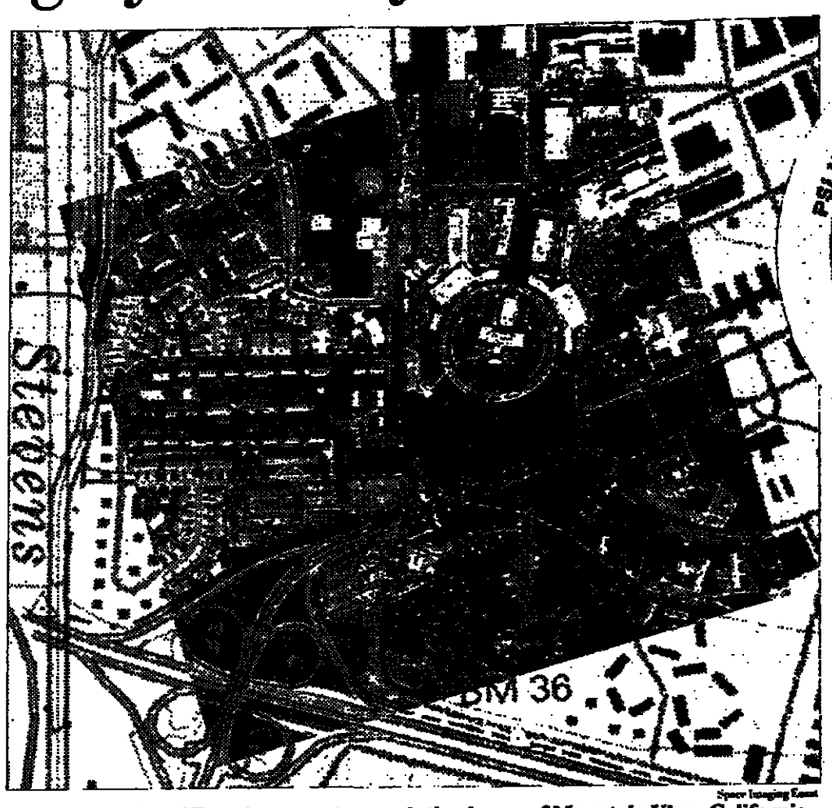
Facing rivals such as SPOT Image, which sells imagery from the European SPOT satellites, the U.S.-Indian alliance expects its 10 percent share of the remote-imagery industry to grow to perhaps 60 percent within six years, said a spokesman for the privately held Colorado company.

That market, now estimated at $500 million to $1 billion, depending on what is included, is expected to grow to perhaps $2 billion within a few years. Moreover, fears in the industry even a few years ago of a rapid shakeout, leaving perhaps only one or two successful satellite-image providers, appear to be easing.

"The international markets are growing to the point we can really support all of these new providers," said Renee Saunders of SPOT Image. "The more satellites that are up there, the better for all of us."

One-meter imagery, previously the domain only of spy satellites, was allowed commercially in the United States only by a presidential directive signed in 1994. Spy satellites today provide even greater than one-meter resolution. But so far, Mr. Webster said, the commercial viability of even one-meter resolution had yet to be proved.

For black-and-white photos at five-meter resolution, Space Imaging Eosat charges about 50 cents a square kilometer (prices vary outside North America). But for one-meter resolution, the price rises to $10 a square kilometer. Space photos in commonly used sizes cost from $350 to $750.



Space Imaging Eosat

A representation of Eosat's one-meter-resolution image of Mountain View, California.

The industry hopes that modern farmers, many of whom now have satellite-based Global Positioning System, or GPS, devices in their tractor cabs, will pay those prices, which will allow savings in fertilizer and pesticide use and boost yields.

THE GPS, originally developed by the U.S. military, allows users carrying a small receiver, available for as little as $100, to determine their location with tremendous precision. This process, which relies on messages from satellites, is particularly helpful when landmarks are scarce, as in a vast farm field. Farm-machine makers such as Deere & Company now offer them routinely.

Agriculture is perhaps the third-largest market for Space Imaging Eosat, Mr. Webster said. The second, he said, is telephone, gas and power utilities that are able to save thousands of dollars in the costs of mapping, planning maintenance, and placing new lines or transmitting towers.

Eosat's biggest market is governments, split about evenly between North America and primarily Europe and Asia. While the U.S. government has the right to bar sales of imagery to any foreign customer at any time, the company is not obliged to clear its client list in advance.

Mr. Webster said the U.S. government's sense was that in general, greater availability of satellite imagery was a good thing, allowing such "benign intelligence functions" as treaty verification and border monitoring.

SITES

Here are related sites on the Internet:
- Spot Imaging Services satellite imagery products are at: *www.spotimage.fr*
- SkyWatch satellite and radar images are at: *www.earthwatch.com/satellite.html*
- General information about satellites and images can be found at: *www.psych.upenn.edu/~baron/david/satellite/*

TECHNOLOGY INDEX

A glance at technology stock indexes around the world

North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	286.49	[illegible]	-1.40
Standard & Poor's Technology Composite	704.64	[illegible]	+ 0.67
Europe			
Morgan Stanley Eurotec	437.78	[illegible]	-2.18
Asia			
Topix Electric	1626.74	[illegible]	-1.06

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at http://www.iht.com. *Articles include:*

- Microsoft Now in the Dashboard Jan. 9
- Motorola Said to Double China Investment Jan. 9
- BT to Raise Charge for Directory Assistance Jan. 10-11
- Computer Stocks Lift Wall Street Out of Asian Turmoil Jan. 13
- Siemens and Motorola Detail Chip Project Jan. 13
- BskyB Plans Digital TV in 2nd Quarter Jan. 13
- Motorola Profit Shows Silver Lining Jan. 14
- Setback for Microsoft in Antitrust Case Jan. 14

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@iht.com.

International Herald Tribune

ALT /Commentary

Europe's Low-Tech Teletext: Clunky but Durable

By John Burgess
Washington Post Service

LONDON — As Europe looks forward to the arrival of digital television this year, it is time to take an appreciative look back at some old television technology: teletext.

Europe has turned teletext into a standard, free service on millions of televisions. In Britain, two-thirds of all TV sets can receive it, and surveys show about 19 million people a week using versions offered by a company called Teletext Ltd.

Teletext technology is nothing fancy. It employs a long-established electronic data conduit called the "vertical blanking interval" to add text and graphics to the signal of any TV station. In the United States, it has been used primarily to send closed captions to people with hearing disabilities.

Europeans consult teletext to see what is on television or whether rain is likely to douse a picnic. They find out soccer scores or the speed of the greyhound they bet on. They check out vacation cruise packages, find pen pals and stock quotes — securities firms here sometimes notice peaks and valleys in orders based on when the numbers on teletext are updated.

Commercial services have ads as well. "Win Instant Cash" says a flashing banner on one page. "Pay Off All Your Debts Now!" says another.

For a few people, it has become their primary source of news, overtaking television, radio and newspapers. For others, it has become another reason to fight over the remote control. Not only can you cruise the channels here, you can stay on the same one and jump between teletext pages indefinitely.

What is happening is that the local TV station is pumping out a collection of pages of text in sequence, over and over, about 10 per second. When you switch to text mode on your remote-control channel changer, you see on the screen a menu that identifies pages by number. By keying in the page number, you are in effect telling your set to grab that page next time it comes in and display it. That can take 10 seconds or more.

Why didn't it catch on in the United States? Largely, it seems, because of differences in how the TV industry is structured.

CBS, for example, tried teletext in the 1970s and early 1980s but gave up. Broadcasters in the United States generally were skeptical of the whole idea. They were concerned, for one thing, that they would be competing against themselves — anyone flipping over to teletext would not be watching the shows that cost so much to produce.

There was no organized effort by the industry to get receiving equipment into American homes, and teletext died a largely unnoticed death just as computer on-line services were beginning to offer something similar.

Things happened differently in Europe, where government and industry like to get together and decide which services work, rather than letting the market decide. In Britain, where the noncommercial BBC dominated TV broadcasting in the 1970s, its decision to go with teletext meant that set makers had to follow suit.

More than 20 years later, the technology is showing its age. The graphics are clunky, like those that computer screens used to show a decade ago. TV screens are not great at displaying text, so the letters have to be big and the reports short — 39 characters per line. And the rise of on-line networks has made teletext's lack of interactivity an ever more glaring shortcoming.

The medium is essentially one-way — you can think of each page of text as a minichannel that you've tuned to. Vacation packages are often sold via teletext, but the way it works is simply that you scan the pages until you find a deal, then call a phone number on the screen to place your order.

Still, teletext companies have struggled mightily to add something resembling interactivity. Air travel services offered over Teletext Ltd., for example, allow you to customize pages to get specialized flight information by pressing touch-tone keys on a telephone.

Produced by about 90 people, the BBC's Ceefax teletext service is operated as a service to the people of Britain and draws an estimated 17 million people a week. It carries no advertising, drawing instead on subscription fees that households pay.

Teletext Ltd. provides the service found on two of Britain's three commercially operated TV stations. It is government-licensed, acting in effect as an independent broadcaster that just happens to use the signals of those stations. Its income is primarily from ads — companies can target customers with ads on specific pages.

The British services now are looking forward to the advent of digital television in coming years. With that technology's greater transmitting capacity, they are hoping for sharper graphics, pages with photographs and better interactivity.

But in the meantime, millions of people find the present version just fine. It's low-tech and it's one-way, but it works. You don't have to buy a computer, fight to make the software work, tie up your phone line or pay a monthly fee. You just hit a "text" button, and there it is on the screen.

SITES

Related sites on the Internet:
- What went wrong with videotex is explored at *www.well.com/user/mmcadams/videotex.html*
- "A History of Electronic Publishing" explains how teletext was developed. *www.jou.ufl.edu/people/faculty/dcarlson/ehist/ehistory.htm*
- All of Britain's teletext pages are listed at *www.teletext.co.uk/*

ALT, the name of this column, is meant to symbolize the "Alt" key — alternate — on most personal computer keyboards and suggest the "alternative" viewpoints expressed here.

Companies to Fine-Tune Digital TV to Analog Sets

By Sabra Chartrand
New York Times Service

MANY people may not be ready to buy a new television when digital high-definition broadcasts begin in the United States and Europe later this year and in Japan in 2000. Lots of others will not be able to afford the new sets.

But their old analog sets will have to be capable of receiving digital signals, which will require a decoder. This is a device that can "down-convert," in industry lingo, a digital signal into an analog signal that can be received, recorded and played back by conventional sets.

Hitachi America Ltd. has received a patent for a decoder that can translate digital high-definition, or digital standard-definition signals, into an analog signal. High definition is a digital signal with greatly improved picture quality; standard definition is a digital signal with the same resolution as analog television.

Broadcasters are interested in both signals because they offer singular advantages over analog television. High definition offers a great picture, but transmission is so complex that it fills an entire channel. Standard definition offers an ordinary picture but leaves enough room in the channel to broadcast more than one signal.

So when broadcasts of digital television begin, viewers will probably watch some combination of high and standard definition. The most common proposal is to have several standard-definition channels during the day, and one high-definition prime-time channel at night.

Building a decoder that can handle both signals is an expensive undertaking, one that makers thought would make inexpensive analog televisions almost as costly as some digital sets. That is because the vast amount of data in an HDTV signal requires at least 10 megabytes of computer memory.

But Hitachi says it has patented a technology that cuts those costs by maximizing the common circuitry used to down-convert both high-definition and standard-definition pictures.

The Hitachi decoder accomplishes this by "preparsing" and "down-sampling" — two terms for reducing the amount of data used to represent digital pictures. Bytes of data used to represent pixels, the points of light that make up a video picture, are reduced from eight bits to five, six or seven.

Markers indicating luminence — the definitions of brightness — or chrominance — the definitions of color — are limited to a predetermined amount. Less data mean the decoder can use a smaller channel buffer — where the digital signal is temporarily stored — and less complicated circuitry to process the signal.

The lesser character in the drama surrounding the evolution of digital television has been the videocassette recorder — what of its technology?

IN THE EARLY 1990s, the leading electronics manufacturers agreed on a new technical format for VCRs that could record and play back a digital signal. To accommodate the complex signals of digital television, the standard they chose used a magnetic tape of a different size from what is found in today's cartridges. New electronic circuitry was necessary, too, to replace analog VCRs with digital models.

This next generation of technologies meant that, ultimately, consumers would have to buy new VCRs to record a digital television signal. And their old tapes would not play in those new machines.

Now Goldstar Ltd., a South Korean electronics company, has won a patent for a VCR that can record and play back a digital signal on current Super-VHS tapes. Goldstar is part of LG Electronics, which also holds a majority share of Zenith Electronics.

In step with Goldstar, Victor Co. of Japan, a unit of Matsushita Electric Industrial Co., also announced plans to introduce a digital VCR that uses standard-sized tapes. Thus yet another war over formats may be brewing in the digital-television revolution.

BRIEFLY

- **FLATTENING EFFECT:** Sharp Corp. and Semiconductor Energy Laboratory Co. say they have developed liquid-crystal display technology that will make possible the development of paper-thin computers.

The technology, called "continuous grain silicon," would allow the development of a large glass panel that incorporates both chips and thin-film-transistor LCDs, Sharp said. The company expects products incorporating the new technology to begin contributing to its profit in the year that starts April 1.

The technology also allows LCD screens and chips to be manufactured in the same process, a Sharp spokesman said. That would enable the development of high-speed multimedia terminals, including personal computers and credit card-sized communications tools, formed on a single glass sheet of any size, the company said.

Under the new process, electrons travel through semiconductors in LCDs about 600 times as fast as they do in the amorphous silicon TFT LCDs that are widely used at present. *(Reuters)*

- **COLD WAR REUNION:** Margaret Thatcher and Mikhail Gorbachev, better known for global politics than for graphical-user interfaces, will headline the 1998 World Congress on Information Technology in Fairfax, Virginia, event organizers said.

The former British prime minister and the last Soviet leader will be among the visiting luminaries at the conference June 21-24 that organizers hope will attract about 1,800 business, technology and political leaders from around the world to George Mason University. The biennial event was last held in Spain in 1996.

The World Congress is not designed for the grass-roots technology buff or the casual Web surfer. Rather, it is designed for high-level decision-makers; the admission price is $1,250.

"The ideal beneficiary of the event will be senior executives from the IT industry," said Jim Poisant, executive director of the 1988 World Congress, referring to information technology.

There will be special emphasis on networking of the human rather than computer variety, Mr. Poisant said, with a series of meals, receptions and golf outings to help cultivate relationships among attendees. *(WP)*

- **ON-LINE IN THE U.K.:** Awareness and usage of the Internet has grown steadily in Britain over the last five years, but the typical users continue to be young men with white-collar jobs, according to a survey released Wednesday.

Continental Research, a British media research firm owned by the U.S.-based media research and ratings company Arbitron, said it had found that 92 percent of British adults were aware of the Internet, compared with 68 percent in 1992. The survey polled 2,085 people aged 15 and over and 200 regular Internet users.

Top bills Gorbachev and Thatcher.

Among regular users of the Internet, men outnumber women almost 3-to-1, the survey said. According to its findings, 38 percent of users are under 24 years old, 26 percent are 25 to 34 years, 20 percent are 35 to 44, and 15 percent are over 45.

Regular users have an average annual income of £31,000 ($50,620), compared with a national average of £17,500, Continental Research said. *(Reuters)*

- **OPEN LINES IN ASIA:** Japan has the most competitive telecommunications network among 10 Asian and Pacific countries studied in a survey by the National University of Singapore.

The survey, called the Asia-Pacific Telecommunications Index, ranked Australia second in competitiveness, followed by Singapore.

About 160 major corporations with operations in the region were interviewed for the survey, which was based on prices that multinational corporations are charged as well as service, choice of networks and transparency of local regulators.

The report ranked Thailand, Indonesia and the Philippines as the least competitive markets for telecommunications. *(Bloomberg)*

- **PATENTLY INVENTIVE:** International Business Machines Corp. continued its dynasty last year in a closely watched intellectual contest, receiving the most U.S. patents of any company in the world, according to the annual Patent Intelligence and Technology report released by IFI/Plenum Data Corp. of Wilmington, North Carolina.

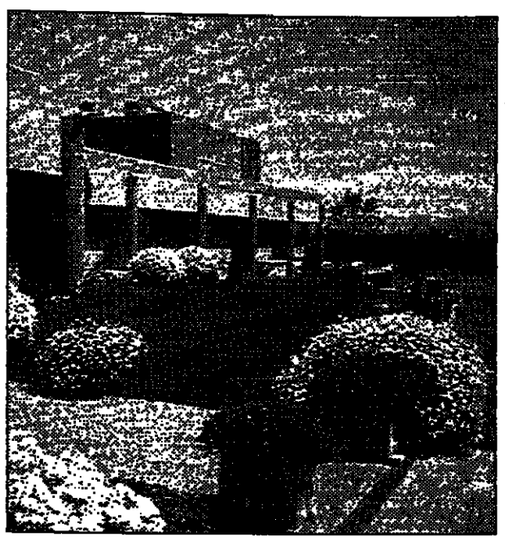
IBM, which has led the list for five years in a row, received 1,742 U.S. patents in 1997. It was followed by Canon Inc., with 1,381 patents, NEC Corp. with 1,101 and Motorola Inc. with 1,065. Of the top 10 companies listed, seven were based in Japan and three in the United States.

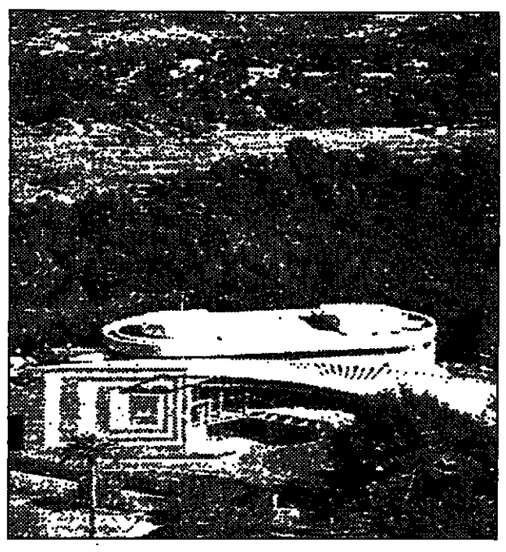
The IFI/Plenum survey, which begun in 1975, is seen within technology circles as a measure of a company's commitment to research and of its ability to translate research into products. *(WP)*

هكذا من الأصل

CÔTE D'AZUR: WHERE HEALTH SCIENCES FLOURISH

The convergence of biotechnology and information technology, both specialties of Côte d'Azur companies, augurs well for the development of life sciences in the South of France. Local enterprises and multinational companies benefit from the region's strong private research backbone, an international airport in Nice and a reputation as a favored location for medical conventions.





PHOTOTHEQUE CAD

Clockwise from top left: The Galderma International Center for Dermatology Research; production at Arkopharma, a phytotherapy firm; the European Heart House.

RESEARCH AND COMMERCIAL DEVELOPMENT GO HAND IN HAND

The health sciences industry on the Côte d'Azur, which boasts top facilities and a favorable business environment, generates about $1.6 billion a year.

The health sciences sector of the Côte d'Azur's economy currently encompasses 200 companies and 10,000 employees, generating 10 billion francs ($1.6 billion) annually. About 42 percent of these companies are engaged in pharmaceutical activities and 45 percent in biomedical, with associated services accounting for the rest.

Although a core of family-owned companies has been operating in this sector for decades, the region's potential for health sciences has come to international attention more recently, with the increasing convergence of biotechnology and information technology.

That trend augurs well for the region, which has created the moniker "Telecom Valley" to underline its expertise in information and communications technology.

Public/private partnerships

High-speed telecom networks and sunshine alone would not be reason enough for major health-care companies to locate — or relocate — to the French Riviera.

"The development of the private health-care sector depends on a partnership between public and private [research] activities," explains Patrick Rampal, dean of the faculty of medicine at the University of Nice.

At Sophia Antipolis, projects in telemedicine and distance teaching have been under way for several years to benefit doctors and patients in rural France, in Europe and around the world.

Equally influential is the presence of research labs like the world-renowned Institute of Molecular and Cellular Pharmacology in Sophia Antipolis (the science park near Nice that is home to many Telecom Valley members).

Michel Lazdunski, who won France's prestigious Prix de la Fondation Athéna-Institut in 1991, directs the institute of 100 researchers focusing on cellular and molecular pharmacology and the pathological approach to nervous, muscular, cardiovascular and epithelial-endocrine system regulations.

Specialized centers

Other categories for research or commercial development on the Côte d'Azur are medical instruments, transplants, biomaterials, nutrition, pharmaceuticals, veterinary products, imaging and immunology.

The region boasts three specialized cardiology treatment centers, each with its own area of concentration: the University Hospital of Nice in cardiovascular systems; the Institute Arnault Tzanck in Nice, encompassing cardiac surgery, experimental surgery and medical testing; and the Cardio-Thoracic Center in Monaco for cardiac surgery and infant heart surgery.

Cardiologists also have their own facility for training and education, the European Heart House, opened in Sophia Antipolis in 1993. The headquarters of the European Society of Cardiology is located there. Wil Neijmann, who manages the administrative branch of the ESC and the facility, says that the reputation of the area and its popularity with doctors were among the reasons for locating in the South of France, and notes, "We are developing a universal database for cardiology in Europe and the expertise in Sophia will be helpful."

Dozens of medical conferences are held on the French Riviera every year, making the area Europe's most popular destination for such meetings. The region's premier convention sites are the Acropolis Convention Center in Nice and the Palais des Festivals in Cannes.

High exports and new jobs

One-fifth of the region's health-care companies were started with foreign capital, mostly from Europe. Eleven percent of these are from neighboring Monaco, 10 percent from the rest of Europe, and 2 percent from the United States.

For small, locally based enterprises, alliances with foreign companies are as important as funding for future growth because of the R&D cost of new products and the need to export. The cost of developing a new medical product in France was $10 million in 1980, but soared to about $400 million in 1996.

Still, France was number seven in the world for medical discoveries in 1996, and the country is a net exporter of pharmaceuticals. Employment in the health-care sector grew six times faster than total employment in France from the early 1980s to the early 1990s, according to France's Center for Research, Studies and Documentation in the Economy of Health (CREDES).

On the Côte d'Azur, both small and large companies benefit from its specialized enterprises; public research, training and education; and a commercial environment motivated to promote such activities. ●

A GROWING CRITICAL MASS OF INTELLECTUAL RESOURCES

THE PROVENCE-ALPES-MARITIMES-CÔTE D'AZUR (PACA) region has the second-largest concentration of public research in France after Paris, with about 100 public research laboratories in the health sciences. About the same number of companies conduct research and development activities in this sector.

"Fifty-five percent of total research in France is done in Paris," says Michel Lazdunski, director of the Institute of Molecular and Cellular Pharmacology. "But quantity doesn't necessarily mean quality."

What is important for businesses and organizations operating in the health sciences is a critical mass of public and private research initiatives combining basic and applied research, plus a university or a medical school as a focal point.

That is the case on the Côte d'Azur, where 57 of the area's 100 labs are affiliated with the University of Nice-Sophia Antipolis (UNSA). UNSA offers 15 health-related disciplines for 27 degree or training courses of study.

Top facilities

The university's medical school alone has 20 research labs and a 2,000-bed hospital complex, plus 10 additional labs devoted to clinical research. In 1997, its students had the highest success rate in France in the nationwide exam to become medical specialists, with 65 percent of those taking the test succeeding. Two Nice students received the second- and seventh-highest scores overall.

Nice students also scored best in the national test given to medical students after their first year of study.

These results are not accidental. Rather, they are the fruit of a concentrated effort by the school, led by Dean of Faculty Patrick Rampal.

Dr. Rampal is also spearheading the drive for a 5,000-square-meter (54,000-square-foot) enlargement of research facilities in the hospital complex.

"Close cooperation between basic and applied research labs is desirable, and that is what will be built," he says.

He points out that the geographic location of the region is also fortunate.

"We are a border zone near both Spain and Italy. The European Union has funding for projects that encourage cross-border exchanges and we are logistically well-placed to take advantage of them. Our faculty has cooperation with Genoa and Turin; we are twinned with the latter and we share some specializations, such as pharmacology."

Sophia Antipolis

The medical school is not the main site of research activity in the region. In Sophia Antipolis alone, there are about a dozen research laboratories in life sciences.

One of these is the Galderma International Center for Dermatology Research (CIRD), set up in 1979 in partnership with Nice's University Hospital. Together they created the Applied Clinical Pharmacology Center for Dermatology (CPCAD), which has 1,200 patented products and is one of the world's leading basic research dermatology labs.

Other important regional research centers fall under the aegis of the Health Care Research Institute (IRPS), the Federative Research Institutes (IFR), the National Center for Scientific Research (CNRS), the National Institute for Health and Medical Research (INSERM, equivalent to the National Institutes of Health in the United States), the National Institute of Research for Information Technology and Automation (INRIA) and the National Institute for Agronomic Research (INRA).

A MAGNET FOR INNOVATIVE COMPANIES

An international reputation and state-of-the-art services draw corporations to the Côte d'Azur.

Foreign companies account for between 20 percent and 25 percent of the some 200 health-sciences enterprises on the Côte d'Azur. Pharmaceutical firms take the lead — almost 30 percent are foreign-owned.

Gaetano Zannini is the international business coordinator of the Italian Zambon Biomedica, which set up a facility at Sophia Antipolis in 1980. He cites as advantages the French Riviera's "climate of competence" and the opportunity to interact with peers through professional groups and associations; an excellent geographical location for doing business in France, Spain, Italy and the Mediterranean markets — including access to the ports of Marseilles and Genoa; the port and outstanding airport in Nice; and an expanding university.

Zambon's facility in Sophia Antipolis is the company's worldwide center for its hospital home-care business; the French market in this sector is four times the size of Italy's. Dr. Zannini calls attention to what he labels the "myths" of working in the South of France.

"A lot of people, including Italians, believe that people here don't work hard. That is not true. They work harder than people in Paris," he says. "Plus, you can have all the services a company needs right here and in more attractive surroundings than you find in Paris."

Michel Lazdunski, director of the Institute of Molecular and Cellular Pharmacology, located in Sophia Antipolis, adds: "Researchers don't have to go to Paris. Only heads of groups must go, and only for administrative reasons. I go to Paris fairly often, but never for a scientific reason."

Foreign firms go local

Most foreign operations with facilities on the Côte d'Azur have headquarters elsewhere in Europe; only 2 percent originate in the United States. One of the latter was Cordis, a U.S. company producing "infusystems," external and implantable systems to administer drugs locally into the vascular and nervous systems. It opened offices in Sophia Antipolis in 1985 under the direction of Jacques Le Guillerm.

Today, Mr. Le Guillerm is the director of Elekta-Implants, a local enterprise that has taken over the Cordis operations.

"Our region offers a humanistic dimension that goes beyond health care," he says. "The beauty of the area and contact with nature, but above all the deep roots of our cultural past, reflect humanism and inspire great researchers to go beyond technique and become philosophers."

Patrick Mélières is the chairman of Elaiapharm, the local company that in 1997 took over a facility set up in Sophia Antipolis by Britain's Wellcome group in the 1980s.

He notes two other regional attractions — the image of Sophia Antipolis internationally and the support of local authorities.

"Sophia Antipolis's strength in multimedia and its high-tech image were important to us," says Mr. Mélières. "The park has a great image internationally that helps us in our development of international markets. And the local authorities are valuable in encouraging the development of life sciences. They listen and they help, especially at the prefect level."

Given Sophia Antipolis's reputation, it is not surprising that one-fourth of the health-care companies on the Côte d'Azur are based there, and they tend to be the youngest in the area. More than one-fifth are in Nice, and Carros-Le Broc, an industrial zone near Nice created around the same time as Sophia Antipolis, claims 14 percent. Another 17 percent are based in nearby Monaco.

French companies

Companies relocating to the region may also come from elsewhere in France. Such is the case with Focus Imaging, a recent arrival originally from Grenoble. It settled in Sophia Antipolis because it needed "an open and international environment and an advanced telecommunications infrastructure," according to Director Frederik Brag.

Focus Imaging's first software product, CardioMatch, helps cardiologists evaluate the results of EKGs more quickly and with fewer errors. It is a perfect illustration of the convergence of information technology and health sciences. ●

A UNIQUE EDGE FOR HOMEGROWN HEALTH FIRMS

Speed, innovation and technology boost local firms.

In the highly competitive health-care industry, the Côte d'Azur offers unique advantages to locally founded and run companies.

Laboratoires Virbac is the 11th-largest veterinary pharmaceutical company in the world, number one in France in veterinary dermatology and number two in the French veterinary market overall. It was founded in 1968 by a local veterinarian and maintains its corporate headquarters in Carros, near Nice.

Pascal Boissy, the company's president, points out that though the French Riviera boasts no school of veterinary medicine, "Our research is done in many countries, and telecommunications has improved so much that information can be shared easily."

For him, the region's strong advantages include Nice Airport, the high-tech image fostered by Sophia Antipolis and the fact that "the French Riviera is well-known, so people want to come here — customers, partners, clients, employees."

Innovative products

Bart De Wever Jr. is the director of business development at Skinethic, a five-year-old firm in Nice that cultivates and sells bioengineered skin to laboratories.

Mr. De Wever emphasizes both the importance of Nice Airport (the skin must be shipped within 24-72 hours) and the international environment.

Then he adds, "I wouldn't have moved here if this were not the French Riviera. The atmosphere is international, the services and climate exceptional, and it has always been my dream to live here."

Stanislas Boulet d'Auria, president of 3X Engineering, grew up on the Côte d'Azur. Ten years ago, he founded a Monaco company that makes technical pieces in plastic, mostly for medical purposes. His success prompted him to found 3X Engineering. One of the latter's products is a box for the transport of blood, which is much smaller, lighter and stronger than existing styrofoam boxes. It is being marketed by FDM Pharma, a company in nearby Sophia Antipolis.

A more recent invention is a foam "sponge" that can be used to hold fluids for medical or cosmetic purposes. It is both product and applicator, lightweight, accurately dosed and antiseptic.

Skilled workforce

The form of products is a focus for innovation at Bionatec, a company founded in 1994 to tap the growing market for plant-based health products. Its all-natural microgranules made from plant extracts won it first prize at the Dietexpo in Paris last autumn.

Dominique Coll, a pharmacist who is the company's director, extols the advantages of the French Riviera, including the caliber of the workers, the geographical position and the attractive ambiance.

She believes that the Côte d'Azur is an ideal location for small-to-medium-sized companies like Bionatec because the international environment opens the door to export opportunities.

MXM is a 20-year-old local company that also looks to the export market for its sophisticated implant devices for the deaf. Paul Martel, MXM's project director, cites the airport and local commercial expertise as significant factors in his company's decision to develop and market a product that incorporates the latest in digital signal processing along with advanced electronics.

The technical and intellectual level of the local workforce was also a consideration, he says. "The National Institute for Intellectual Property [INPI] is located in Sophia, not far from our offices, and shortens the time in looking up patents in our area," Mr. Martel adds.

Response time is important for large companies as well as small ones. France's largest company in phytotherapy (the use of plant remedies in medicine) is Arkopharma, founded in 1980 in Carros.

When its customers expressed concern about the risk of mad cow disease in 1997, the company quickly introduced an all-plant-based shell to replace gelatin shells in its best-selling Arkocap brand capsules. Arkopharma packed more than 1.5 billion of the capsules last year, representing more than 80 percent of the French market. ●

BIONATEC PHOTOTHEQUE

"Biogranules" developed by local firm Bionatec.

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- University of Nice, Sophia Antipolis: http://www.unice.fr
- European Society of Cardiology: http://www.esc.be
- National Center for Scientific Research: http://www.cnrs.fr

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BUSINESS/FINANCE

Record Profits Bring Little Cheer

U.S. Carmakers Scramble to Fight Fierce Competition From Asia

By Robyn Meredith
New York Times Service

DETROIT — The Big Three American automakers might be expected to pop champagne. After all, the stock market has soared, the economic expansion continues, and interest rates have fallen to record lows, all of which would normally lure buyers to showrooms.

Instead, Detroit is acting almost as if a recession had hit, hunkering down to save pennies wherever possible to cut costs sharply in the face of growing competition from Asia.

Ford Motor Co. has told Wall Street analysts that it cut $3 billion in costs last year and plans to trim an additional $1 billion this year.

"This is the first time in the history of Ford that we've reduced our total cost of doing business from one year to the next," Alex Trotman, Ford's chairman, said last week. "It is pretty clear now that we will have a record year in terms of profits for 1997."

For the Big Three, cutting costs seems to be the only way to increase profits. The market for car and truck sales in the United States is not growing, and it might even shrink slightly this year. In addition, there has been no room to increase car and truck prices, in part because the strengthening dollar has allowed Asian automakers to lower their prices, forcing the Big Three to follow suit.

John Devine, Ford's chief financial officer, said, "What is going on in Asia is putting enormous competitive and pricing pressures on us."

Relative prices of new cars and trucks in the third quarter were the lowest in 17 years, according to Comerica Bank, which calculates how many weeks of work at an average wage it takes to buy a new vehicle, although the competition is stronger on cars and minivans than on the popular sport-utility vehicles.

"We have deflation in the auto industry in spades," said Jack Kirnan, an auto analyst at Salomon Smith Barney.

General Motors Corp. said last week that it spent $1 billion more on rebates and other incentives in 1997 than it expected a year ago it would. Ford announced Friday that it would increase the rebates and discounted lease deals it was offering through April 2. Its cheapest car, the 1998 Ford Escort, now costs $10,745 including the $1,000 rebate.

That, however, is still well above the discounted prices of some of its Asian competitors. Because of the strength of the dollar, automakers abroad can set low prices or introduce rebates without eating into their profits. Just last week, for example, Hyundai Motor Co. of South Korea increased its rebates — its cheapest car, the Accent coupe, can now be bought for $8,534.

Because the Asian currency crisis has left sales so weak at home, Hyundai plans to increase its exports by 15 percent this year, with most of the shipments headed to the United States, the company said.

The largest Asian automakers, Toyota Motor Co. and Honda Motor Corp. of Japan, have used the weakness of the yen to hold down prices on their new models even while adding features to the vehicles. Though both companies tend to steer clear of cash rebates, Toyota has been offering discounted leases as a way of reducing prices.

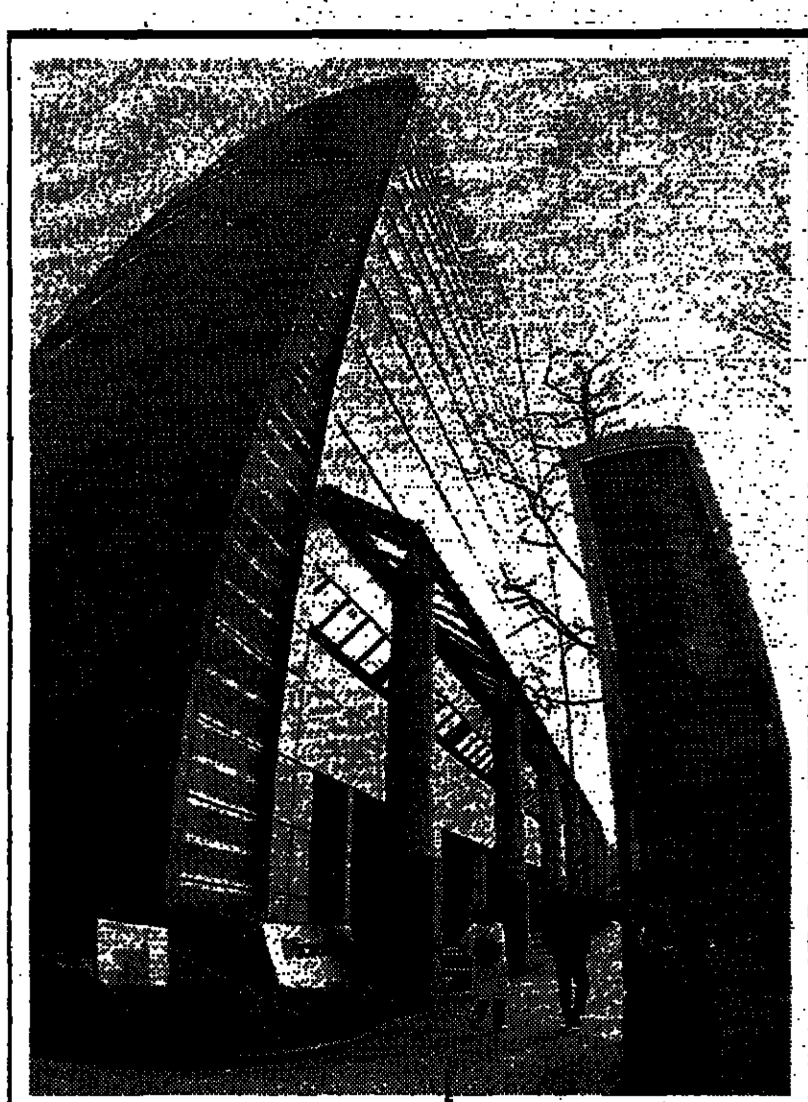
U.S. shoppers have forced the Big Three to follow suit, putting pressure on their profits. Because they are earning less on each car they sell but do not want to disappoint shareholders with weaker profits, the American companies are trying to make up the difference by cutting costs.

Chrysler Corp. has adopted a limited hiring freeze, adding only essential workers such as engineers. The company is concentrating on reducing its expenses in other ways, too. Chrysler cut $1.2 billion in costs during the 1997 model year, and it plans to cut at least $1.5 billion in the current model year, which ends in September, said Thomas Stallkamp, the company's president. "We're just about 50 percent of the way there," he said.

GM is expected to report fourth-quarter earnings of $1.97 a share, up from 55 cents a share in the fourth quarter of 1996, according to a consensus of Wall Street analysts' estimates prepared by First Call.

John Smith, GM's chairman, said although the fall in Asian currencies "puts competitive pressure" on the company, "all in all, it should be a good year."

Ford is expected to report fourth-quarter profit of $1.25 a share, up from 98 cents a share a year earlier. Profit at Chrysler, hurt in the fourth quarter by a slow introduction of its newest large-sedan models, is expected to be the weakest of the lot, though still respectable. Analysts expect it to earn $1.12 a share in the fourth quarter, down from $1.51 a share a year earlier.



Toshiyuki Aizawa/Reuters

The Tokyo headquarters of Microsoft's Japanese unit, which is being investigated by Japan's Fair Trade Commission in an antitrust case similar to the company's court battle in the United States. Page 14

China Says Crisis Poses 'Challenge'

Realizing Its Banks Are Vulnerable, Beijing Urges Avoiding Panic

By Seth Faison
New York Times Service

SHANGHAI — Over the past few weeks, Chinese leaders have watched with alarm as the financial crisis engulfed their Asian neighbors one by one, knowing that China's own fragile banking system is deeply vulnerable as well.

After huddling together in a series of closed-door meetings, the country's senior economic leaders emerged Wednesday with a public stance on the issue: sober and alert.

China's economic czar, Deputy Prime Minister Zhu Rongji, appeared on state television as he addressed a gathering of the country's top bankers and urged them to try to avert the kind of panic that has sent currencies and stock markets tumbling elsewhere in the region.

"The currency devaluations in Southeast Asia pose a severe challenge," said Mr. Zhu, who is widely expected to be named prime minister when China's legislature meets in March. "We must meet this challenge."

Since China's own currency is not freely convertible and its stock markets are small, Beijing has been insulated from the kind of outflow of cash that has devastated Indonesia, Thailand and South Korea. Mr. Zhu pledged that China would not devalue its currency, the yuan, soon.

Yet China's banks, saddled with untold billions of dollars in bad debts, are caught in the middle of a wrenching shift from a planned to a market-oriented economy. Should ordinary depositors lose confidence in China's state-run banks, which depend on the nation's 40 percent savings rate to stay alive, the financial system could quickly be in jeopardy.

This year, China is trying to engineer a massive sell-off of its state-owned industry, and there is a desperate need for domestic and foreign investment, both of which appear to be receding. Should a financial crisis spread to China, tens of millions of urban workers could be left unemployed.

In recent weeks, Mr. Zhu has quietly ordered China's provinces to close many local trust companies, small finance companies that among other things helped fund a real-estate boom that led to drastic overbuilding in many of China's coastal cities.

In Shanghai, Mayor Xu Kuangdi said Wednesday that leaders recognized the significant financial danger posed by a growing real-estate bubble.

The vacancy rate in office buildings in Shanghai is now nearing 40 percent, Mr. Xu said. Although he argued that bank exposure to bad real estate was limited, Mr. Xu said the Shanghai government had decided to halt all new land sales for now.

"We're not fortune-tellers," Mr. Xu said, trying to explain how the property glut occurred. "We didn't know such a serious Asian financial crisis was coming."

Overall, Mr. Xu said, China will most feel the effects of the Asian financial crisis in terms of lower exports and foreign investment — the engines of China's economic growth in recent years.

"What has happened in Southeast Asia gives us a wake-up call," Mr. Xu speaking at a news conference. "We must pay very close attention to our financial structure."

Another danger facing China's economy is the effect of falling stock prices in Hong Kong. Many of China's best-run companies were lining up to issue stock in the Hong Kong, Shanghai and Shenzhen markets in the coming year, and the recent collapse of enthusiasm in those markets means that most will be delayed. What effect that delay in money-raising will have on China's effort to restructure its state-owned in-

See CHINA, Page 17

U.S. Scolds Japan Over Auto Market

As Trade Surplus Soars, Tokyo Faces 'Severe' Response Over Export Policy

Compiled by Our Staff From Dispatches

TOKYO — Senator Carl Levin, Democrat of Michigan, said Wednesday that Japan had done little to open its markets to American car parts, and he warned that Tokyo would face a "severe" response if it tried to export its way out of its current slump.

At the same time, Japan reported that its current-account surplus surged 91.8 percent year-on-year in November as imports fell despite international calls on Tokyo to raise domestic demand.

The surplus totaled 1.282 trillion yen ($9.7 billion) in November, rising for the eighth straight month. Exports expanded 6.1 percent to 4.093 trillion yen, but imports shrank 5 percent to 2.845 trillion yen, the first year-on-year decline since July 1994, when imports edged down 0.8 percent.

Finance Minister Hiroshi Mitsuzuka blamed the sluggish economy for the rise in the surplus, forecasting a moderation in the increase as government measures to stimulate the economy kicked in. Such a transition would be welcome by Japan's international critics.

"If Japan tries to export its way out of its economic slowdown while keeping its market effectively closed, there will be a severe negative reaction in the U.S.," Mr. Levin said during a press conference at the U.S. Embassy in Tokyo.

Mr. Levin, a member of the Senate Small Business Committee, said Japan faced possible sanctions under the U.S. "Super 301" trade provision if it failed to open its auto-parts market.

Further backlash came from General Motors Corp. in Detroit. Harold Kutner, GM's vice president for worldwide purchasing, accused the Japanese government of "exporting its woes" — using the weak yen to increase exports rather than adopting structural reforms to raise the purchasing power of Japan's consumers. The dollar has appreciated more than 15 percent against the yen in the past six months, lowering the cost for Japanese automakers to deliver a vehicle to the United States by "multiple thousands of dollars" and giving them a major cost advantage over their Detroit-based rivals, Mr. Kutner said.

Mr. Levin called Japanese regulations, such as those that make it difficult for repair shops to stock foreign parts, "a brick wall" that inhibited competition and raised prices.

As a result, he said, "the Japanese consumer is being gouged."

Mr. Levin said parts made in Japan for Japanese vehicles cost as much as double the U.S. price for identical parts for the same vehicle. He said a spark plug that he had purchased in Japan for a 1991 Toyota Camry had cost 520 yen ($3.92), compared with the equivalent of 259 yen for the same spark plug in the United States.

"How can Japanese auto parts that have to be shipped to the U.S. cost less in the U.S. than in Japan?" he asked.

(AP, AFP, Bloomberg)

INTERNATIONAL MANAGER

Bobby Yip/Reuters

Francis Leung holding back tears as Peregrine's fall was explained.

'Father of Red Chips' Could Rebound Soon

By Biddy Chan
and Alec D.B. McCabe
Bloomberg News

HONG KONG — It wasn't like Francis Leung when he choked back tears as his partner, Philip Tose, told how Peregrine Investments Holdings Ltd. had collapsed.

More than anyone else, Mr. Leung, 43, had helped build the Hong Kong investment bank into the No. 1 underwriter of Asian stocks. And he did it by being brave enough to go where others would not: China.

Tears aside, Mr. Leung might be the first to rise again after the failure of one of Asia's largest investment banks outside Japan. He turned Peregrine into the investment bank for China — a powerful franchise here in China's newest city. Now, there is talk that he and his team may be hired by former rivals or strike out on their own.

Mr. Leung, a Hong Kong native, watched the decade-old firm collapse because of bad bets made by its bond department. The end came after its bets on regional currencies, particularly the Indonesian rupiah, went badly wrong. Many inside Peregrine said that one of Hong Kong's best equity and corporate-finance teams had been sunk by the firm's bond traders. That team — and Mr. Leung — are still valuable.

Mr. Leung first entered the China market in 1991 by helping CITIC Pacific Ltd., which is controlled by China's largest overseas investment company, find its way onto Hong Kong's stock exchange.

At that time, China was almost untouchable for global investment banks such as Goldman, Sachs & Co. or Merrill Lynch & Co. Many bankers and investors were reluctant to do business with China after the violent crackdown in 1989 on the democracy movement in Beijing.

But China and its companies needed money, and Mr. Leung saw opportunity.

CITIC Pacific became the first "red chip," or mainland-backed investment company, to be listed on the Hong Kong exchange. Shares of Chinese state-run companies themselves, known as "H shares," started trading on the Hong Kong exchange in 1993.

"I want to do something for China," Mr. Leung said at a news conference this week. "I hope that red-chip and H-share companies can continue to raise funds in the market."

In the early 1990s, Peregrine established itself as the No. 1 underwriter for Chinese or China-backed companies, acting as lead manager on share sales by companies such as Shanghai Industrial Holdings Ltd. and Beijing Enterprises Holdings Ltd.

Mr. Leung said he had the largest equity and capital-markets team for Hong Kong, Taiwan and China, with more than 30 employees. In Hong Kong, he is known as "the father of red chips."

Former colleagues describe Mr. Leung as the person who set Peregrine above the Wall Street crowd when it came to bringing Chinese

See LEUNG, Page 17

Has TV Fumbled With Huge NFL Pact?

By Richard Sandomir
and Stuart Elliott
New York Times Service

NEW YORK — In a dramatic finale to the most expensive sports television negotiations ever, the ABC network retained rights to broadcast "Monday Night Football" for $4.4 billion over eight years and ESPN secured exclusive National Football League cable rights by paying $4.8 billion for the entire Sunday night package.

The agreements, which came one day after the Fox network retained its National Football Conference rights and

The new contracts will bring windfalls to NFL franchises. Page 20.

CBS purchased American Conference games, brought the league's fees over the next eight years to $17.6 billion, which would rise to $18 billion with 3 percent escalator clauses in the last three seasons. In four-year deals that concluded this season, the league received a total of $4.38 billion.

But Madison Avenue has a message for television networks that think they will recoup those payments by sharply increasing advertising rates: Forget about it.

"Clearly, football is a marquee sales vehicle," said Steve Grubbs, executive vice president for national broadcast at the American offices of BBDO Worldwide, a unit of Omnicom Group in New York. "But the networks can charge only what people are willing to pay. We know they'll have to push the envelope and raise rates, but just as they had a walkaway point in their negotiations with the NFL, we have our walkaway point where we say we can't afford to spend that much money."

The financial commitments made Tuesday by ABC and ESPN, both subsidiaries of Walt Disney Co., swept the NBC network from professional football after 33 seasons. They also ended the eight-year arrangement under which ESPN shared Sunday night games with the TNT network.

With a value of at least $2.25 billion a season, the NFL contract dwarfs the television deals of other pro sports. The next highest, for the National Basketball Association, is worth $660 million a season for four years.

Mr. Grubbs's counterpart at another New York agency, Ogilvy & Mather Worldwide, echoed his assessment.

"Football is a terrific franchise for the networks that carry it," said Peter Chrisanthopoulos, president for broadcast and programming/USA at Ogilvy, part of WPP Group. "And it's also a valuable property for advertisers because it reaches upscale men in large numbers.

"But this is still a supply-and-demand marketplace, and if someone crosses the line in terms of value vis-a-vis alternative programming, then less money will go in that direction."

Disney is gambling that owning all the Sunday night and Monday night games will make it an even more potent viewing and advertising force than ever.

ESPN's $600 million-a-year cable deal is the most expensive of all the packages, exceeding the $550 million a year to be paid by ABC and Fox and

See FOOTBALL, Page 14

Tokyo to Alter Terms of an Old Privatization

New York Times Service

TOKYO — The government floated plans Wednesday to change the financial terms of the decade-old privatization of Japan National Railways Corp. that are likely to have a chilling affect on future privatizations of state-owned companies and on foreign investment.

The cabinet is expected to approve legislation Friday that would shift more debt to the private companies that were formed when the government sold the national railway system in 1987.

The government wants to add 366 billion yen ($2.76 billion) to the debt already parceled out to the seven private companies that emerged from the system, or two-fifths of the amount needed to close a pension-funding shortage.

For investors, the amount of the additional debt was virtually irrelevant. The companies can shoulder the debt. But analysts were shocked that terms of a deal hammered out long ago could change at the government's whim.

CURRENCY & INTEREST RATES

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Jan. 14

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0555	3.3615	1.1267	0.3365	0.1146*	—	5.4625*	1.3861	1.5807*	1.4335	1.3297*
Brussels	37.4675	61.52	20.4785	6.1585	2.0985*	18.307	—	25.3725	0.288	26.34	24.355*
Frankfurt	1.826	2.9737	—	0.2986	0.1016*	0.8875	4.8478*	1.2301	1.3951*	1.2772	1.1804*
London (a)	1.6307	—	2.9774	9.9507	2,925.78	3.3511	61.3796	2.4377	214.52	2.3381	252.898
Madrid	154.833	252.159	84.736	25.306	8.612*	75.203	4.1078	104.146	118.295*	108.222	—
Milan	1,794.50	2,922.00	983.55	293.75	—	873.20	47.70	1,210.30	13.715	1,253.40	11.61
New York (b)	—	1.6295a	1.8225	6.1025	1,793.00	2.053	37.62	1.483	130.985	1.4326	154.845
Paris	6.1177	9.9645	3.3465	—	0.3403*	2.9718	0.1623	4.1155	4.6747*	4.2766	3.9515*
Tokyo	130.85	213.84	71.97	21.50	0.730	63.88	3.4893	88.68	—	91.44	0.8495
Toronto	1.433	2.3352	0.7858	0.2347	0.0799*	0.6975	0.3807*	0.9658	1.0970*	—	0.927*
Zurich	1.4814	2.4168	0.813	0.2428	0.0826*	0.7216	3.9399*	—	1.1275*	1.0329	0.9593*
1 ECU	1.0678	0.6643	1.9764	6.6377	1,944.66	2.2249	40.7886	1.638	141.589	1.5475	167.466
1 SDR	1.338	0.8219	2.4432	8.1512	2,405.71	2.7544	50.3523	1.9867	175.211	1.9270	207.136

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York at 4 P.M. and Toronto rates at 3 P.M.

*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	287.75	Mex. peso	8.167	S. Afr. rand	4.945
Australian $	1.5349	Hong Kong $	7.7425	N. Zealand $	1.725	S. Kor. won	1665.0
Austrian sch.	12.842	Hung. forint	206.78	Norw. krone	7.551	Swed. krona	8.0341
Brazil real	1.118	Indian rupee	40.12	Phil. peso	42.27	Taiwan $	34.09
Chinese yuan	8.31	Indo. rupiah	7250.0	Polish zloty	3.54	Thai baht	53.65
Czech koruna	35.80	Irish £	0.73	Port. escudo	186.65	Turkish lira	211580.
Danish krone	6.9535	Israeli shek.	3.5661	Russ ruble	5.98	UAE dirham	3.671
Egypt. pound	3.405	Kuw dinar	0.3061	Saudi riyal	3.7505	Venez. boliv.	506.25
Fin. markka	5.5763	Malay. ring.	4.2955	Sing. $	1.7320		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6267	1.6245	1.6220	Japanese yen	130.01	129.49	128.90
Canadian dollar	1.4289	1.4279	1.4268	Swiss franc	1.4803	1.4758	1.4706
Deutsche mark	1.8241	1.8214	1.8184				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 1/2 - 3 9/16	1 1/16 - 1 3/16	7 1/4 - 7 3/8	3 7/16 - 3 5/8	3/8 - 1/2	4 1/8 - 4 1/4
3-month	5 1/2 - 5 5/8	3 9/16 - 3 11/16	1 1/4 - 1 3/8	7 7/16 - 7 9/16	3 9/16 - 3 11/16	7/16 - 9/16	4 3/16 - 4 5/16
6-month	5 1/2 - 5 5/8	3 5/8 - 3 3/4	1 3/8 - 1 1/2	7 9/16 - 7 11/16	3 5/8 - 3 3/4	1/2 - 5/8	4 1/4 - 4 3/8
1-year	5 9/16 - 5 11/16	3 7/8 - 4	1 9/16 - 1 11/16	7 5/8 - 7 3/4	3 13/16 - 3 15/16	9/16 - 11/16	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 7/16	5 9/16
90-day CDs dealers	5.52	5.50
180-day CP dealers	5.33	5.30
3-month Treasury bill	5.04	5.06
1-year Treasury bill	4.93	4.92
2-year Treasury bill	5.26	5.24
5-year Treasury note	5.32	5.29
7-year Treasury note	5.38	5.35
10-year Treasury note	5.45	5.42
30-year Treasury bond	5.74	5.72
Merrill Lynch 30-day RA	5.22	5.22
Japan		
Discount rate	0.50	0.50
Call money	0.47	0.43
1-month interbank	0.68	0.65
3-month interbank	0.95	0.95
6-month interbank	0.90	0.90
10-year Govt bond	1.87	1.87
Germany		
Lombard rate	4.50	4.50
Call money	3.40	3.40
1-month interbank	3.51	3.51
3-month interbank	3.61	3.61
6-month interbank	3.67	3.67
10-year Bund	5.04	5.03

Britain		
Bank base rate	7 1/4	7 1/4
Call money	7 1/4	7 1/4
1-month interbank	7 5/16	7 5/16
3-month interbank	7 7/16	7 7/16
6-month interbank	7 1/2	7 1/2
10-year Gilt	6.03	5.98
France		
Intervention rate	3.30	3.30
Call money	3 1/8	3 1/8
1-month interbank	3 7/16	3 7/16
3-month interbank	3 1/2	3 1/2
6-month interbank	3 5/8	3 5/8
10-year OAT	5.05	5.06

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

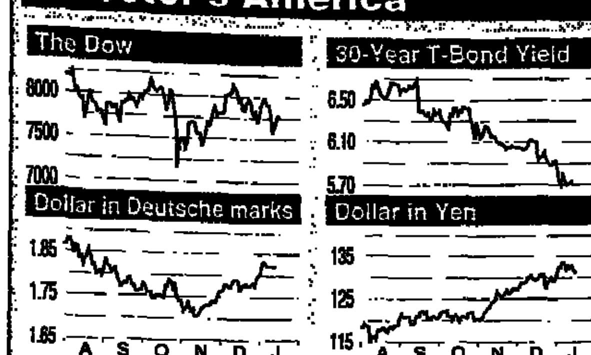
	A.M.	P.M.	Ch'ge
Zurich	286.00	282.65	+1.10
London	285.90	282.50	+3.00
New York	283.80	282.40	—1.40

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)

Source: Reuters.

مكتبة الأهرام

Investor's America



Exchange	Index	Wednesday @4PM	Prev. Close	% Change
U.S.	The Dow	7784.69	7732.13	+0.68
U.S.	S&P 500	957.92	952.12	+0.61
U.S.	S&P 100	453.99	450.99	+0.67
U.S.	NYSE Composite	501.35	497.75	+0.72
U.S.	Nasdaq Composite	1548.16	1541.39	+0.44
U.S.	AMEX Composite	658.64	655.83	+0.42
Toronto	TSE Index	6351.10	6329.64	+0.34
São Paulo	Bovespa	9349.44	9416.56	-0.70
Mexico City	Bolsa	4649.86	4673.88	-0.51
Buenos Aires	Merval	609.52	603.98	+1.02
Santiago	IPSA General	4377.79	4404.30	-0.60
Caracas	Capital General	7420.04	7331.46	+1.21

Source: Bloomberg, Reuters — International Herald Tribune

Microsoft Gets a One-Two Punch

Japan Investigates Unit on Charges Similar to U.S. Case

Compiled by Our Staff From Dispatches

TOKYO — Japan's antitrust watchdog said Wednesday that it had opened an investigation into Microsoft Corp.'s unit in Tokyo for suspected infringement of antitrust laws.

The move came as the U.S. software giant is in a battle with antitrust authorities at home over the sales of its Internet Explorer browser software.

The development also followed the visit to Tokyo by a top Justice Department official seeking closer cooperation in antitrust areas.

The secretary-general of the Fair Trade Commission, Jotaro Yabe, said the Japanese agency was investigating the Microsoft unit to see if it had restricted the use of competitors' application software by Japanese personal computer makers.

"Our investigation would cover points similar to those raised regarding Microsoft's business practices in the United States, as well as other issues specific to Japan," the regulator said.

A source close to the agency said Tuesday that the government suspected Microsoft might have effectively tried to restrict the sale of software that competes with such Microsoft products as Internet Explorer, the Excel spreadsheet and the Word text application.

U.S. regulators have alleged that Microsoft breached its 1995 settlement of antitrust charges by making its Internet Explorer browser a component of Windows 95, which dominates the market for personal computer operating systems.

Makoto Naruke, president of Microsoft's office in Japan said Wednesday that the unit had not *done anything illegal.*

In a U.S. District Court in Washington on Wednesday , Judge Thomas Penfield Jackson questioned David Cole, the Microsoft vice president who oversaw the development of Internet Explorer, about when a rival Internet browser can be installed into the company's widely used Windows 95 computer operating system and how well it would work.

(Reuters, Bloomberg)

Rally by Bank Shares Offsets Intel's Warning

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Wednesday as a rally in bank shares offset a slide in semiconductor issues after Intel warned that sales in the first quarter would be little changed from *fourth-quarter* levels.

The gloomy forecast from one of the biggest U.S. companies heightened concern that the stock market will have a difficult time advancing until investors get a better understanding of the magnitude of Asia's economic problems.

"Everybody hopes that the end is in sight for Asia, but from all I have read, the problems aren't over," said James Grefenstette, a money manager at Federated Investors. "As long as this uncertainty lingers, it's too risky to own the sexy, high-risk names."

The Dow Jones industrial average closed 52.56 points higher at 7,784.69, while the Standard & Poor's 500 index gained 5.80 to 957.92. *Advancing issues* outnumbered declining ones by a 9-to-5 ratio on the New York Stock Exchange. But the technology-heavy Nasdaq composite index was held to a more modest 6.53-point advance, to 1,548.16, because of losses for Intel and Microsoft.

Intel closed down 1 7/16 at 75½ a day after reporting a 9 percent drop in fourth-quarter profit and saying its gross margin — the percentage of sales left after product costs are subtracted — was expected to fall "a few points" from the fourth quarter's 59 percent.

"Intel is a tremendous bellwether in this market, and it's just the psychological effect of these guys not saying the right things," said Charles Payne at Wall Street Strategies.

Microsoft fell 1 to 131⅛ on concerns about the company's antitrust problems with U.S. and Japanese officials.

But bank stocks gained amid beliefs that a recent slide in prices had been overdone and that mergers and acquisitions would be in store for regional banks as they sought for ways to increase profits.

CitFed Bancorp closed up 11¼ to 49½ after Fifth Third Bancorp agreed to buy the bank for about $688 million in stock. Fifth Third fell 4½ to 76.

"The consolidation theme remains strong, plus the companies

U.S. STOCKS

are poised to report very good earnings," said Thomas Keresey, chairman of Palm Beach Investment Advisers Inc.

Among other rising bank stocks were Banc One, which added ¼ to 52⅜, Citicorp, which rose 5 to 119, and Wells Fargo, which rose 2¾ to 318⅝.

Low interest rates also are keeping the stock market supported. The price of the benchmark 30-year Treasury bond finished steady at 105 16/32, leaving the yield at 5.74 percent, *near its record low.*

U.S. bonds have drawn investors seeking a haven from the Asian turmoil. Some analysts say American stocks also will draw safe-haven buying.

"A lot of the money that came out of the foreign markets, particularly Asia, is going to come over here," said Don Fredell at American Express *Financial Advisors.*

But that demand has not reached some sectors.

Advanced Micro Devices fell 2¾ to 18½ on concern that the company will not be able to produce enough of its K6 microprocessors to compete with Intel.

Splash Technology Holdings fell 10 5/16 to 13 7/16 after the maker of equipment used in color printers said revenue growth would slow.

Eastman Kodak, the worst performer in the Dow last year, fell 1 9/16 to 59¾ on expectations for the company to report a drop in fourth-quarter earnings Thursday because of slumping film prices, lower sales and mounting losses from digital imaging.

In addition, an analyst at Prudential Securities said Kodak lost more of its share of the U.S. photo film market in December, even after cutting prices to compete with its Japanese rival Fuji.

(Bloomberg, Reuters)

Yen Manages to Gain on the Dollar

Bloomberg News

NEW YORK — The dollar was slightly lower against the yen Wednesday as fear that more Asian companies may go bankrupt was offset by optimism that Japan may take fresh steps to revive its economy.

The dollar gained against the Deutsche mark on expectations German interest rates may not rise, and it rose against other European currencies as well.

The yen gave up early gains on speculation that even as Asian countries work to repair their economies, more companies and financial institutions are likely to suffer.

"There's still going to be demand for the dollar," said Mary Ann Bartels, a money manager at Avatar Associates. "Yes, there are bail-outs, but companies are going to go under, banks will have to close. Nobody knows yet what the impact of Asia is going to be."

In 4 P.M. trading, the dollar was at 130.985 yen, down from 131.630

FOREIGN EXCHANGE

yen Tuesday. It was also at 1.8225 DM, up from 1.8195 DM, at 6.1025 French francs, up from 6.0935 francs, and at 1.4830 Swiss francs, up from 1.4783 francs. The pound fell to $1.6295 from $1.6337.

The yen was supported by Prime Minister Ryutaro Hashimoto's suggestion that he may leave a proposed tax cut in place longer than planned. A senior official of the ruling Liberal Democratic Party said new stimulative measures may also be decided if the economy remains weak.

The dollar was supported against the mark after two Bundesbank council members suggested German rates were not headed higher. Hans-Juergen Krupp said the economy was growing too slowly to fuel inflation, and Olaf Sievert suggested he did not see any need for higher rates.

The dollar also was *bolstered* against the mark by signs that Asia's crisis may be easing. The United States is more exposed to Asia than Germany is.

Very briefly:

- **A New York stockbroker** accused of orchestrating a wide-spread scheme to manipulate **Systems of Excellence Inc.** stock, Sheldon Kraft, pleaded guilty to accepting $1.4 million in bribes and agreed to pay $1.1 million in restitution.
- **United Space Alliance, the Boeing Co. and Lockheed Martin Corp.** joint venture that is prime contractor for the U.S. space shuttle program, is considering cutting 730 jobs, or 8 percent of its work force, because of a reduction in scheduled shuttle flights this year.
- **B.F. Goodrich Co.** is buying **Freedom Chemical Co.** for *about $375 million as it continues to expand its specialty-*chemicals business.
- **Allianz AG** will buy as much as 35 percent of **Life USA Holding Inc.** *for an estimated $171 million.* The seller of insurance will continue to market coverage by the German giant.
- **Starwood Hotels & Resorts Trust** *is buying four former* Ritz-Carlton luxury hotels for $334 million in cash and stock. *Bloomberg*

L.A. Gear Files for Bankruptcy

Bloomberg News

SANTA MONICA, California — L.A. Gear Inc., a sporting-goods company, said Wednesday that it had filed for bankruptcy protection, after reporting a string of losses in the last two years amid a decline in demand for its athletic shoes.

L.A. Gear, which was delisted from the New York Stock Exchange in December because of a failure to meet listing requirements, said Tuesday that it had reached an agreement with an unofficial committee of its bondholders on a restructuring of the company's debt and equity interests.

L.A. Gear said it may file a reorganization plan next week. During the reorganization, the company, which also markets casual clothes and accessories, said it would continue to *operate through its subsidiaries.*

FOOTBALL: *Huge NFL Contracts May Throw Television Networks for a Loss*

Continued from Page 13

$500 million to be paid by CBS.

By agreeing to pay such a high figure for 18 regular-season games and four pre-season games, ESPN is paying 135 percent more each year than what it and TNT had been paying for the past four years. In their shared arrangement, TNT carried games in the first half of the season, ESPN in the second half.

TNT would not agree to a league request that it raise its payments from $124 million a year to $295 million. That opened the door for ESPN *to take over Sunday night.*

"We weren't prepared to change our economic model for TNT or our affiliates," said a statement from *Turner Sports.* "We'll *redirect* those programming dollars for more efficient use."

There is no benefit for ad agencies that buy an estimated $1.2 billion worth of commercial time a year during football games to proclaim that they cannot wait to pay higher prices.

"It would be pouring gasoline on the networks' desires," said Ron Fredrick, executive director for the national broadcast group at J. Walter *Thompson USA in New York,* also owned by WPP. "And I don't want to do that."

Still, in an era when networks are *far from shy about raising* ad rates — even if, as in prime time, ratings are generally continuing to decline — agencies want to make sure their positions are staked out.

That is particularly true because to some degree "advertisers are going to pay more," said William Gloede, editor in chief of the trade publication Mediaweek in New York, "even if it's not immediately in the first years" of the new agreements.

"The NFL is without question the *most efficient delivery vehicle for* men," he added. "There's really no other place to go if you want that audience."

Mr. Fredrick, *for one*, is sanguine, saying he believes the networks would not increase prices too much or too quickly because there are other ways they can try to compensate for the additional cost of the NFL rights.

"Look at CBS and U.S. Open tennis," Mr. Fredrick said. "Rights fees have escalated dramatically and CBS has responded by adding hours and hours of programming before and after the Open during which it *sells commercial time.*"

AMEX

Wednesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7761.02	7788.92	7707.96	7784.69	+52.56
Trans	3257.95	3259.03	3212.97	3229.41	-26.55
Util	264.04	266.25	265.01	266.25	+0.21
Comp	2570.97	2569.10	2549.73	2568.50	+3.12

Standard & Poors

	Previous High	Low	Close	Today 4 P.M.
Industrials	1108.89	1093.52	1108.87	1114.30
Transp.	682.04	677.72	681.25	675.64
Utilities	230.15	228.08	229.73	229.57
Finance	112.52	110.71	112.50	114.11
SP 500	952.14	939.21	952.12	957.92
SP 100	451.00	445.56	450.99	453.99

NYSE

	High	Low	Last	Chg.
Composite	501.43	496.76	501.35	+3.60
Industrials	621.20	614.58	621.03	+4.20
Transp.	454.74	449.67	452.63	-1.31
Utility	330.37	328.15	330.38	+0.35
Finance	478.21	471.94	478.06	+6.12

Nasdaq

	High	Low	Last	Chg.
Composite	1550.71	1536.23	1548.75	+7.12
Industrials	1188.83	1179.79	1186.11	+4.48
Banks	1956.72	1949.55	1955.08	+19.33
Insurance	1747.79	1725.41	1746.89	+21.77
Finance	2389.26	2370.63	2385.88	+19.72
Transp.	1053.36	1038.58	1045.84	-6.44

AMEX

High	Low	Last	Chg.
658.64	655.83	658.64	+2.76

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	105.37	105.28
10 Utilities	102.64	103.01
10 Industrials	108.10	107.54

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	97777	59 9/16	57⅛	58⅛	-1
AT&T	77148	65¼	64¼	65¼	+⅞
Cabltrn	74049	16	13⅝	14¼	+1 5/16
MicmT	65627	31 7/16	30 9/16	31⅛	-⅛
MedPart	57695	8 9/16	7⅜	8¼	+⅛
TelBrasl	50560	107 15/16	103⅞	103 9/16	-2 9/16
Merck	50284	110	106⅛	109 9/16	+3 9/16
Unisys	49465	16 9/16	15 9/16	16⅛	+⅛
PhilMor s	48670	47 9/16	46⅛	46 9/16	-5/16
ToyRU	48182	27 15/16	25⅛	27 9/16	-1/16
FstData	43291	26⅛	25 9/16	26 9/16	-⅜
IBM s	41541	104	101¼	102¾	+⅛
CBS	40862	30	28 9/16	29¼	+1⅛
BarrickG	39997	17 9/16	17⅛	17¼	+⅛
BankAm s	37380	68¾	67 9/16	68 9/16	+2¼

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	304139	77	74½	75 9/16	-1 7/16
Oracle s	166548	19⅞	19⅛	19 9/16	+½
3Com	147857	33 9/16	32⅛	32 9/16	+⅞
DellCpt s	126581	91¾	89⅝	91¾	+1 9/16
ApldMat s	112529	30 9/16	28⅜	29 9/16	-½
TeleComA	96375	29⅛	28⅜	29¼	+1⅛
GeronCp	92750	17⅛	13¼	13⅝	-⅛
WorldCm	89104	31½	30½	30 9/16	+⅝
Cisco s	86820	57⅛	55⅝	57	+1
Adaptec	85122	20½	19 9/16	20¼	+5/16
Ascend	72709	30 9/16	28¾	30 9/16	+1 9/16
CorpExp s	72584	8½	7 9/16	8½	-⅛
Microsft	68132	132½	129¾	131⅛	-1
US OfcP s	64578	21	18⅝	18 9/16	-1⅜
AppleC	52283	19 9/16	19¼	19¼	+¼

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	37316	95	94 13/16	95 9/16	+½
GreyWolf	15522	4⅛	4	4⅛	+¼
Nabors	14326	25⅜	24 9/16	25⅛	+⅜
EchoBay	10488	2¼	2⅛	2⅛	+⅛
ViacB	8682	44	43⅝	43⅞	-⅛
Hasbro s	6307	32⅞	32½	32 9/16	+⅛
WEB Jpn	5651	9⅞	9⅛	9 9/16	+⅛
WEB Mal	5555	4⅛	4⅛	4⅛	+⅛
WEB Sing	4557	5 9/16	5⅛	5⅛	+⅛
Thmalx	4369	19	18⅝	18⅝	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1871	2136
Declined	1084	864
Unchanged	512	465
Total issues	3467	3465
New Highs	126	103
New Lows	35	44

Nasdaq

	Noon	Prev.
Advanced	1985	2813
Declined	1674	1415
Unchanged	1821	1475
Total issues	5400	5703
New Highs	44	57
New Lows	73	82

AMEX

	Close	Prev.
Advanced	330	363
Declined	255	239
Unchanged	169	155
Total issues	754	757
New Highs	19	28
New Lows	12	18

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	596.33	764.14
Amex	24.28	37.57
Nasdaq	654.64	742.03

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
MBNA Corp ad B	-	.366	3-31	4-15
STOCK SPLIT				
Acxis Ltd 2 for 1 split.				
NCarolina Nat Gas 3 for 2 split.				
Pennfed Fincl 2 for 1 split.				
REVERSE STOCK SPLIT				
Lasertechnics Inc 1 for 20 reverse split.				
INCREASED				
Cascade Bncp	Q	.12	1-26	2-2
Grand Premier	Q	.09	1-15	2-2
Pall Corp	Q	.155	1-24	2-7
INITIAL				
N Carol Nat Gas n	-	.25	2-27	3-13
REGULAR				
Amway Asia Pac	Q	.22	1-30	2-18
Fall River	Q	.24	2-1	2-15
Fst Lancaster	Q	.25	1-16	1-30
Fortis Secur	M	.063	1-26	2-13
Linear Tech	Q	.06	1-23	2-11
NS&L Bancorp	Q	.125	1-15	1-30
Prospect St HI In	M	.035	1-23	1-30
Resource Amer	Q	.10	2-13	2-27
Richardson Elec	Q	.04	2-13	3-2
Ruby Tuesday	S	.09	1-30	2-12

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Jan. 14, 1998

Grains

	High	Low	Latest	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 98	278	270¼	273¾	+3½	159,366
May 98	285	276½	280	+3¾	55,987
Jul 98	289	280¼	285	+4⅛	64,901
Sep 98	282½	278½	280¼	+1⅜	9,221
Dec 98	282¼	278½	280½	+1⅛	35,746
May 99	290	289	290	+1⅛	17
Jul 99	294½	291	293¼	+1⅛	441
Est. sales 60,000 Tue's sales 105,465					
Tue's open int 328,191, off 1,154					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 98	200.40	194.60	195.40	-3.00	7,460
Mar 98	198.70	193.00	193.60	-3.20	46,416
May 98	198.20	192.50	192.90	-3.50	26,354
Jul 98	199.70	194.30	195.20	-2.90	18,534
Aug 98	200.50	195.00	195.30	-3.40	6,952
Sep 98	201.50	196.20	197.00	-2.00	4,417
Est. sales 20,000 Tue's sales 24,638					
Tue's open int 115,177, up 489					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Jan 98	24.65	24.25	24.48	-0.04	1,697
Mar 98	24.95	24.54	24.80	-0.05	56,502
May 98	25.19	24.85	25.11	-0.08	19,160
Jul 98	25.37	25.01	25.28	-0.09	14,263
Aug 98	25.30	25.00	25.25	-0.08	4,386
Sep 98	25.10	24.90	25.10	-0.07	1,736
Est. sales 18,000 Tue's sales 18,177					
Tue's open int 101,791, off 365					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jan 98	674½	661	664¾	-6½	3,335
Mar 98	675½	661½	665½	-7¼	57,580
May 98	679½	665	669½	-8	27,543
Jul 98	683	668	672¾	-8½	27,005
Aug 98	682½	669	670¾	-9	4,735
Est. sales 50,000 Tue's sales 57,933					
Tue's open int 132,168, off 768					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 98	337½	328	329½	-4½	55,267
May 98	345	337	338½	-3	14,363
Jul 98	354	345	346¾	-3	21,488
Sep 98	361	352	352	-3½	1,631
Est. sales 18,000 Tue's sales 43,798					
Tue's open int 95,887, off 2,108					

Livestock

	High	Low	Latest	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 98	65.50	64.95	65.40	+0.25	39,381
Apr 98	68.22	67.52	68.00	+0.30	33,626
Jun 98	69.00	68.12	68.95	+0.70	21,280
Aug 98	69.85	69.00	69.82	+0.65	7,638
Oct 98	72.25	71.40	72.17	+0.70	2,573
Dec 98	72.90	72.20	72.90	+0.60	542
Est. sales 20,004 Tue's sales 19,192					
Tue's open int 105,060, up 203					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 98	78.55	77.45	78.47	+1.07	4,481
Mar 98	78.22	76.62	78.22	+1.50	7,983
Apr 98	78.85	77.22	78.60	+1.22	3,091
May 98	79.75	78.35	79.70	+1.32	2,028
Aug 98	81.45	80.30	81.45	+1.10	879
Sep 98	81.25	80.40	81.25	+0.85	212
Est. sales 5,711 Tue's sales 6,246					
Tue's open int 19,123, up 986					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 98	57.80	57.07	57.55	-0.35	21,020
Apr 98	56.80	56.15	56.52	-0.22	12,579
Jun 98	64.65	64.10	64.42	-0.12	8,098
Jul 98	64.45	64.00	64.15	-0.10	2,638
Aug 98	62.35	62.05	62.17	-0.12	844
Est. sales 8,873 Tue's sales 6,883					
Tue's open int 46,194, up 387					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	50.35	47.55	47.72	-2.30	5,204
Mar 98	49.85	47.02	47.10	-2.45	1,594
May 98	50.90	47.80	48.30	-2.15	1,257
Est. sales 3,454 Tue's sales 1,418					
Tue's open int 8,972, off 52					

Food

	High	Low	Latest	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 98	1557	1537	1542	+11	34,242
May 98	1590	1574	1584	+12	22,773
Jul 98	1618	1607	1615	+13	5,844
Sep 98	1645	1635	1644	+9	5,751
Dec 98	1678	1669	1675	+12	9,631
Mar 99	1709	1698	1706	+12	9,053
Est. sales 6,530 Tue's sales 7,574					
Tue's open int 91,893, up 548					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 98	167.00	161.00	164.80	+0.35	15,530
May 98	162.00	157.50	160.45	+0.70	6,035
Jul 98	155.50	153.00	155.00	+0.60	2,844
Sep 98	149.00	146.50	149.00	+0.10	1,498
Dec 98	144.50	141.75	144.25	+0.10	1,630
Est. sales 7,977 Tue's sales 7,250					
Tue's open int 27,869, up 56					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	11.60	11.53	11.54	+0.02	90,405
May 98	11.43	11.37	11.39	+0.04	40,834
Jul 98	11.22	11.18	11.20	+0.03	27,682
Oct 98	11.22	11.16	11.19	+0.03	32,237
Est. sales 956 Tue's sales 30,392					
Tue's open int 203,355, up 2,651					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 98	89.25	86.80	89.05	+1.45	19,722
May 98	92.00	89.90	91.80	+1.10	6,713
Jul 98	95.15	93.50	95.15	+1.25	4,314
Sep 98	98.15	96.80	98.15	+1.30	2,048
Est. sales N.A. Tue's sales 3,252					
Tue's open int 36,300, off 285					

Metals

	High	Low	Latest	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 98			281.90	-1.40	1
Feb 98	287.30	282.00	282.40	-1.40	90,883
Mar 98	285.50	282.90	282.90	-1.40	7
Apr 98	288.00	283.20	283.70	-1.40	22,755
Jun 98	290.00	285.20	285.50	-1.30	12,270
Aug 98	291.00	287.30	287.30	-1.30	5,604
Oct 98	290.00	289.10	289.10	-1.20	3,170
Dec 98	294.40	291.00	291.00	-1.10	12,993
Feb 99			292.80	-1.10	4,888
Est. sales 53,000 Tue's sales 57,254					
Tue's open int 191,691, off 4,111					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jan 98	77.50	76.40	76.50	+0.40	1,734
Feb 98	78.10	76.60	76.85	+0.35	2,696
Mar 98	78.80	76.90	77.20	+0.40	36,064
Apr 98	78.90	77.65	77.65	+0.35	1,654
May 98	79.50	77.90	78.10	+0.35	5,565
Jun 98	79.90	78.50	78.50	+0.35	1,693
Jul 98	80.10	78.70	78.90	+0.45	4,460
Aug 98	79.50	79.25	79.25	+0.45	1,312
Sep 98	80.60	79.60	79.60	+0.45	3,725
Est. sales 13,000 Tue's sales 15,021					
Tue's open int 71,294, off 504					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 98	570.00	560.00	565.80	+0.50	212
Feb 98			567.40	+0.40	4
Mar 98	581.00	559.50	568.80	+0.30	60,203
May 98	582.00	561.50	569.80	+0.30	7,932
Jul 98	576.00	560.00	569.50	+0.30	7,727
Sep 98			569.20	+0.30	1,633
Dec 98	574.50	560.00	568.80	+0.30	8,679
Jan 99			568.10	+0.30	16
Est. sales 14,000 Tue's sales 16,105					
Tue's open int 92,507, up 426					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	393.00	380.00	391.50	+16.30	83
Apr 98	390.50	372.00	388.00	+15.80	10,410
Jul 98	385.00	370.00	384.00	+14.80	624
Oct 98			383.00	+14.80	228
Jan 99			384.00	+14.80	9
Est. sales N.A. Tue's sales 3,412					
Tue's open int 11,559, up 219					

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1481.00	1482.00	1474½	1475½
Forward	1507.00	1508.00	1501.00	1502.00
Copper Cathodes (High Grade)				
Spot	1703.00	1704.00	1681½	1682½
Forward	1731.00	1732.00	1711.00	1712.00
Lead				
Spot	537.00	538.00	550.00	551.00
Forward	539.00	540.00	549.00	550.00
Nickel				
Spot	5600.00	5610.00	5625.00	5635
Forward	5700.00	5710.00	5720.00	5730
Tin				
Spot	5175.00	5185.00	5190.00	5200.00
Forward	5200.00	5210.00	5215.00	5220.00
Zinc (Special High Grade)				
Spot	1118.00	1119.00	1084½	1085½
Forward	1142.00	1143.00	1108.00	1109.00

Financial

	High	Low	Close	Chge	Opint
US T BILLS (CMER) $1 million- pts of 100 pct.					
Mar 98	95.26	95.13	95.23	-0.01	8,467
Jun 98	95.33	95.22	95.29	+0.02	1,875
Est. sales 3,030 Tue's sales 1,110					
Tue's open int 10,391, off 18					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 98	110-30	110-03	110-12	-15	264,708
Jun 98	110-25	110-14	110-14	-15	760
Est. sales 74,800 Tue's sales 68,039					
Tue's open int 265,468, up 974					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 98	114-14	113-27	114-03	-09	405,859
Jun 98	114-10	113-30	114-03	-09	15,429
Sep 98			114-06	-09	1,479
Est. sales 125,525 Tue's sales 122,301					
Tue's open int 421,967, up 17,061					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 98	123-22	122-27	123-06	-11	698,280
Jun 98	123-10	122-18	122-27	-11	47,784
Sep 98	122-26	122-13	122-16	-11	10,054
Dec 98	122-07	122-05	122-05	-11	5,133
Est. sales 415,000 Tue's sales 353,098					
Tue's open int 734,992, off 22,594					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar 98	123-26	123-02	123-22	+0-12	186,169
Jun 98	107-15	107-05	107-20	+0-11	1,924
Est. sales: 94,185. Prev. sales: 78,222.					
Prev. open int.: 188,093 up 2,257					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 98	106.54	106.01	106.43	+0.07	257,756
Jun 98	105.82	105.45	105.85	+0.06	3,182
Est. sales: 225,252. Prev. sales: 224,960					
Prev. open int.: 260,938 off 950					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 98	103.12	102.56	103.12	+0.10	135,695
Jun 98	102.00	102.00	102.44	+0.10	2,313
Est. sales: 149,177.					
Open int.: 138,008 up 4,037.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 98	117.54	117.12	117.47	-0.11	124,771
Jun 98	116.93	116.60	116.91	-0.09	10,964
Est. sales: 64,009. Prev. sales: 71,739					
Prev. open int.: 135,735 up 1,665					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Feb 98	94.46	94.41	94.45	unch.	15,871
Mar 98	94.45	94.39	94.42	unch.	4,662
Apr 98	94.52	94.48	94.50	unch.	1,816
Est. sales 10,403 Tue's sales 8,601					
Tue's open int 39,180, up 363					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 98	94.43	94.39	94.42	unch.	11,036
Mar 98	94.47	94.39	94.44	unch.	494,925
Jun 98	94.57	94.46	94.53	unch.	407,915
Sep 98	94.59	94.47	94.54	unch.	293,020
Dec 98	94.56	94.43	94.50	-0.01	252,771
Mar 99	94.58	94.44	94.52	-0.01	200,307
Jun 99	94.56	94.42	94.49	-0.02	156,466
Sep 99	94.51	94.38	94.45	-0.02	117,155
Dec 99	94.44	94.32	94.38	-0.02	114,697
Mar 00	94.42	94.33	94.38	-0.02	79,682
Jun 00	94.38	94.29	94.34	-0.02	76,245
Sep 00	94.35	94.26	94.30	-0.03	57,149
Est. sales 693,933 Tue's sales 620,093					
Tue's open int 2,736,959, off 20,958					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 98	1.6302	1.6218	1.6246	-0.0042	33,551
Jun 98	1.6200	1.6150	1.6170	-0.0044	1,334
Sep 98			1.6096	-0.0048	5
Est. sales 4,982 Tue's sales 10,703					
Tue's open int 34,890, up 287					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 98	.7008	.6978	.6993	+0.0014	55,795
Jun 98	.7026	.6994	.7008	+0.0014	4,339
Sep 98	.7040	.7010	.7019	+0.0014	1,086
Est. sales 7,087 Tue's sales 5,850					
Tue's open int 62,101, up 339					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 98	.5522	.5482	.5507	-0.0007	105,853
Jun 98	.5536	.5518	.5533	-0.0007	3,317
Sep 98			.5556	-0.0007	1,633
Est. sales 12,380 Tue's sales 18,228					
Tue's open int 110,806, off 1,210					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 98	.7730	.7658	.7701	+0.0042	94,860
Jun 98	.7818	.7765	.7799	+0.0043	2,233
Sep 98			.7896	+0.0044	401
Est. sales 18,999 Tue's sales 16,026					
Tue's open int 97,500, up 347					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 98	.6825	.6771	.6794	-0.0022	55,245
Jun 98	.6868	.6832	.6861	-0.0022	994
Sep 98			.6926	-0.0022	1,102
Est. sales 9,020 Tue's sales 7,311					
Tue's open int 57,346, off 177					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Mar 98	.12040	.11850	.11895	-.00191	14,790
Jun 98	.11625	.11465	.11495	-.00142	3,856
Sep 98	.11280	.11100	.11120	-.00262	5,271
Est. sales 8,735 Tue's sales 5,612					
Tue's open int 26,096, off 915					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar 98	92.62	92.47	92.51	-0.15	142,164
Jun 98	92.75	92.59	92.63	-0.17	121,197
Sep 98	92.92	92.75	92.80	-0.17	99,149
Dec 98	93.07	92.91	92.97	-0.16	92,067
Mar 99	93.24	93.08	93.15	-0.14	75,470
Jun 99	93.37	93.25	93.31	-0.13	67,081
Est. sales: 245,748. Prev. sales: 166,903					
Prev. open int.: 765,842 up 10,078					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Jan 98	96.44	96.42	96.42	-0.01	18,680
Feb 98	96.41	96.41	96.41	-0.01	850
Mar 98	96.37	96.33	96.36	-0.01	354,221
Jun 98	96.25	96.19	96.23	-0.02	343,086
Sep 98	96.15	96.08	96.13	-0.02	240,395
Dec 98	96.00	95.93	95.98	-0.02	217,796
Mar 99	95.86	95.79	95.85	-0.01	247,687
Jun 99	95.71	95.62	95.69	-0.01	114,351
Sep 99	95.56	95.49	95.55	Unch.	91,557
Dec 99	95.44	95.37	95.43	-0.01	69,385
Est. sales: 196,297. Prev. sales: 279,493					
Prev. open int.: 1,809,727 up 3,192					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jan 98	N.T.	N.T.	96.40	Unch.	1,315
Feb 98	N.T.	N.T.	96.39	-0.01	45
Mar 98	96.37	96.32	96.37	Unch.	79,694
Jun 98	96.25	96.20	96.25	Unch.	45,276
Sep 98	96.15	96.09	96.15	Unch.	30,620
Dec 98	96.01	95.95	96.01	+0.01	24,672
Mar 99	95.88	95.82	95.88	+0.01	41,421
Est. sales: 47,340.					
Open int.: 267,646 up 2,114.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar 98	94.52	94.44	94.50	+0.01	143,404
Jun 98	95.30	95.24	95.28	-0.02	135,894
Sep 98	95.44	95.40	95.45	-0.01	94,796
Dec 98	95.75	95.68	95.74	+0.01	111,700
Mar 99	95.72	95.65	95.70	-0.01	97,680
Est. sales: 79,458. Prev. sales: 114,287					
Prev. open int.: 616,799 up 869					

Industrials

	High	Low	Latest	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 98	65.95	65.46	65.88	+0.42	38,024
May 98	67.30	66.95	67.27	+0.41	15,499
Jul 98	68.65	68.30	68.56	+0.35	15,203
Oct 98	70.55	70.50	70.55	+0.22	1,601
Dec 98	71.90	71.45	71.82	+0.17	15,224
Est. sales N.A. Tue's sales 11,624					
Tue's open int 87,051, up 385					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Feb 98	46.70	45.75	46.30	+0.21	54,302
Mar 98	47.45	46.40	46.90	+0.20	33,936
Apr 98	47.50	46.85	47.20	+0.10	17,671
May 98	47.95	47.45	47.75	+0.30	10,559
Jun 98	48.50	47.50	47.90	+0.15	14,993
Jul 98	48.75	48.30	48.50	+0.25	8,793
Aug 98	49.50	49.20	49.50	+0.55	5,399
Est. sales N.A. Tue's sales 38,756					
Tue's open int 171,432, up 3,898					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Feb 98	16.70	16.38	16.45	+0.02	80,939
Mar 98	16.85	16.59	16.64	-0.01	78,082
Apr 98	17.05	16.82	16.84	-0.02	37,499
May 98	17.22	17.06	17.06	-0.02	28,542
Jun 98	17.47	17.26	17.27	-0.03	39,596
Jul 98	17.65	17.47	17.47	-0.03	19,944
Est. sales N.A. Tue's sales 107,372					
Tue's open int 435,395, off 1,961					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 98			2.309	unch.	22,936
Feb 98	2.070	2.001	2.016	+0.002	37,813
Mar 98	2.055	2.001	2.020	+0.008	27,462
Apr 98	2.055	2.020	2.035	+0.012	13,945
May 98	2.070	2.045	2.055	+0.016	11,030
Jun 98	2.100	2.075	2.080	+0.015	10,569
Est. sales N.A. Tue's sales 49,911					
Tue's open int 194,143, up 2,120					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Feb 98	51.70	50.90	51.00	-0.29	32,475
Mar 98	52.20	51.30	51.60	-0.33	21,530
Apr 98	54.75	54.10	54.30	-0.15	17,188
May 98	55.10	54.50	54.60	unch.	11,842
Jun 98	54.80	54.35	54.70	+0.35	8,518
Jul 98	54.40	54.10	54.30	+0.45	7,148
Aug 98	52.80	52.80	52.80	+0.60	4,310
Sep 98	53.30	53.10	53.10	+0.55	5,200
Est. sales N.A. Tue's sales 27,065					
Tue's open int 109,789, up 278					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Feb 98	142.00	140.50	141.75	-1.00	29,188
Mar 98	143.50	142.00	143.25	-1.00	13,635
Apr 98	145.25	143.75	145.25	-0.50	9,681
May 98	147.00	145.75	147.00	-0.75	4,427
Jun 98	149.00	147.75	148.75	-0.75	11,971
Jul 98	150.75	149.50	150.75	-0.75	3,244
Est. sales: 15,150. Prev. sales: 18,156					
Prev. open int.: 95,995 up 2,044					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 98	15.57	15.33	15.35	-0.03	24,095
Mar 98	15.60	15.35	15.36	-0.04	82,461
Apr 98	15.75	15.56	15.58	-0.01	34,097
May 98	15.93	15.76	15.77	-0.01	15,426
Jun 98	16.13	15.98	15.97	Unch.	20,386
Jul 98	16.31	16.17	16.15	Unch.	11,243
Est. sales: 53,000. Prev. sales: 77,473					
Prev. open int.: 211,014 off 13,563					

Stock Indexes

	High	Low	Latest	Chge	Opint
SP COMP INDEX (CMER) 250 x index					
Mar 98	966.20	954.10	964.40	+4.90	182,569
Jun 98	974.50	963.50	974.50	+5.40	10,232
Sep 98	977.30	974.50	974.50	-3.90	2,909
Est. sales N.A. Tue's sales 119,427					
Tue's open int 397,841, off 660					
FTSE 100 (LIFFE) £25 per index point					
Mar 98	5180.0	5130.0	5132.0	-21.0	60,079
Est. sales: 7,289. Prev. sales: 6,943					
Prev. open int.: 60,072 off 254					
CAC 40 (MATIF) FF200 per index point					
Jan 98	2939.0	2915.0	2929.0	+22.0	40,622
Feb 98	2957.5	2931.5	2937.0	+22.0	2,480
Mar 98	2968.0	2941.0	2945.0	+22.0	18,874
Jun 98	2927.0	2919.0	2908.0	+22.0	1,934
Est. sales: 19,811.					
Open int.: 82,029 off 301.					

Commodity Indexes

	Close	Previous
Moody's	1,411.90	1,397.80
Reuters	1,724.00	1,717.60
D.J. Futures	140.91	140.38
CRB	226.91	225.80

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

هكذا من الأصل

EUROPE

Frustrated Deutsche Bank Ponders a Global Makeover

By John Schmid
International Herald Tribune

FRANKFURT — Conceding that foreign rivals are stealing a growing share of the investment-banking business on its home turf in Germany, Deutsche Bank AG said Wednesday it was considering a radical reorganization of its global operations to defend its main market.

Under the plans, which require board approval, Europe's biggest bank would integrate its rapidly expanding teams of high-paid investment bankers abroad with its traditional commercial banking operations at home.

The bank aims to exploit its long-standing relationships with German companies and government authorities to drum up lucrative merger, acquisition, privatization and underwriting deals.

Industry analysts see the bank's restructuring as a response to the dizzying wave of global mergers among financial houses, which have created a new class of financial titans on Wall Street and next door in Switzerland. Amid the mergers, Wall Street players have piled into Germany, currently a hotbed of corporate restructurings that creates fertile ground for financial advisers.

Analysts have begun to ask how much longer Germany's three biggest banks — Deutsche Bank, Dresdner Bank AG and Commerzbank AG, all based in this city of 650,000 — can remain unaffected by the takeover frenzy.

Insiders at Deutsche Bank said the pending merger of two Swiss powerhouses, Union Bank of Switzerland and Swiss Bank Corp., would forge a "formidable competitor, no doubt about it." The UBS-SBC combination, when completed, will displace Deutsche Bank as Europe's largest bank and have abundant firepower to compete for the deals that Deutsche Bank needs to break into the ranks of the world's top five investment banks.

"We are talking to no one," said Rolf Breuer, the bank's chairman, in a denial that Deutsche Bank was considering an immediate merger.

Speaking at the opening of the bank's Frankfurt trading facilities, he denied that the bank was in talks with the French insurance concern AXA SA, with Credit Suisse or with J.P. Morgan & Co. of the United States — all named recently as potential partners for the German giant. He also denied any interest in Commerzbank, which is often seen as the most vulnerable takeover candidate in Frankfurt.

The success of U.S. banks in Europe underlines how difficult it has been for Europe's leading banks to break into the high-margin business of global investment finance. Asked if rivals are making inroads in the German market, Mr. Breuer responded: "Yes, that is the case."

Mr. Breuer on Wednesday repeated his interest in an acquisition in France to position the bank as a leading pan-European financial house after the planned 1999 introduction of a common European currency.

The pressure to act is mounting at an uncomfortable time for Deutsche Bank. After spending billions of marks to break into the global leagues of investment banking, Deutsche Bank has indicated that its goals have eluded it, analysts said.

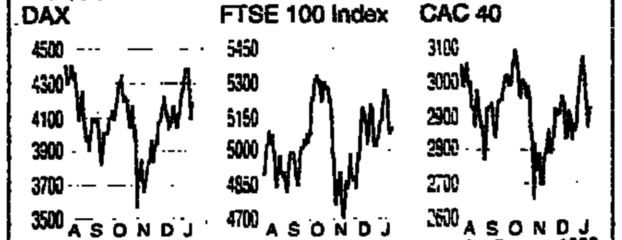
By pulling the bank's old and new divisions together, Mr. Breuer hopes to impose a culture, he said. But analysts say that after the reorganization, traditional bankers might resent channeling business to their flashy new investment-banking colleagues in London, who have significantly higher salaries. Mr. Breuer also said the name Morgan Grenfell could fall away from the name of the bank's Deutsche Morgan Grenfell investment-banking unit, integrating the new unit into the rest of the bank. In addition, he said the bank was looking at merging its retail mutual-fund arm with its institutional asset-management unit.

Kai Pfaffenbach/Reuters

Rolf Breuer, chairman of Deutsche Bank, in the bank's newly opened trading room Wednesday.

Investor's Europe

Frankfurt DAX / London FTSE 100 Index / Paris CAC 40



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	923.58	911.54	+1.32
Brussels	BEL-20	2,452.44	2,441.94	+0.43
Frankfurt	DAX	4,190.08	4,159.40	+0.74
Copenhagen	Stock Market	695.64	678.21	+2.57
Helsinki	HEX General	3,372.38	3,286.13	+2.62
Oslo	OBX	638.37	628.55	+1.56
London	FTSE 100	5,106.90	5,083.90	+0.45
Madrid	Stock Exchange	659.31	653.87	+0.83
Milan	MIBTEL	18027	17859	+0.94
Paris	CAC 40	2,919.80	2,902.93	+0.58
Stockholm	SX 16	3,122.73	3,038.60	+2.77
Vienna	ATX	1,255.38	1,245.69	+0.78
Zurich	SPI	3,832.87	3,840.50	-0.20

Source: Telekurs — International Herald Tribune

Very briefly:

- **SAP AG**, the German software group, will expand its work force by 5,000, or nearly 40 percent, this year in anticipation of continued growth. SAP said it expected demand to continue as a result of the Internet, the change to a single European currency and new versions of its business software targeted at specific industries.
- **LucasVarity PLC** signed a £2 billion ($3.27 billion) agreement with Rolls-Royce PLC to supply electronic controls, fuel meters and other parts for Rolls engines used on large Boeing and Airbus aircraft.
- **Daewoo Electronics Co.**, South Korea's third-largest consumer-electronics maker, froze $167 million of investments in France because of the financial crisis in Asia and France's plans to cut the workweek.
- **Coface**, the French export credit insurer, said a South Korean high-speed train project "will happen, but at a slower pace because the Koreans want to space out payments," the newspaper Les Echos reported.
- **The World Bank** will hold a ceremony in Paris next week launching a $100 million investment fund for the Palestinian autonomous territories. The fund will aim to promote private investment in the West Bank and Gaza.
- **Hoechst Marion Roussel**, the drugs unit of **Hoechst AG**, may cut more than one-third of its research and development staff in Germany as part of a plan to save 460 million Deutsche marks ($252.8 million).
- **Societe Bic SA**, a French maker of pens, lighters, razors and office supplies, said fourth-quarter sales rose 24 percent from a year earlier, to 1.82 billion French francs ($298.7 million), aided by the strength of the dollar.
- **Hansapank and Hoiupank**, two leading Estonian banks, plan to merge to create the largest bank in the Baltic states.
- **Rio Tinto PLC** will seek shareholder approval for a plan to buy back as much as 10 percent of its stock. *Bloomberg, Reuters*

U.K. Jobless Rate Drops to 5%

Compiled by Our Staff From Dispatches

LONDON — The unemployment rate in Britain fell to 5 percent in December, a 17½-year low, according to figures released Wednesday, increasing the chance that the Bank of England will raise interest rates as soon as February.

The December unemployment rate is down from 5.1 percent in November and is the lowest since July 1980, the Office for National Statistics said. The data also showed that average earnings rose 4.75 percent in November from November 1996.

"These reports confirm our worst fears about wage pressures," said Brian Hilliard, chief economist for fixed income at Societe Generale Strauss Turnbull. "A rate increase in the first quarter now looks inevitable."

Britain's employment minister, Andrew Smith, also raised an alarm about rising wages. "In competitive world markets, costs must not get out of control," Mr. Smith said.

The Bank of England, meanwhile, in the minutes from its December policy-making meeting that were released Wednesday, warned that it might have to increase rates.

The central bank, which has raised the base rate five times since May, to 7.25 percent, said if there was no "clear evidence" of a slowdown in the economy, "policy might need to be tightened again quite soon." The bank's policymakers next meet Feb. 4 and 5.

Accelerating inflation is pushing salaries higher because wage negotiations are based on an annual comparison of inflation rates. The retail price index rose an annual 3.6 percent in December 1997, compared with a 2.5 percent increase a year earlier.

The labor report showed that earnings in the services industry grew 4.75 percent year-on-year in November. In production, they rose an annual 4.50 percent and in manufacturing, 4.75 percent.

At the same time, unemployment in December dropped by 28,700, more than the 20,000 expected and the 22d consecutive monthly decline in the number of jobless. The number of people unemployed and claiming benefits fell to 1,439,000.

(AFP, Bloomberg)

VW to Seek Bentley Brand From Vickers, Report Says

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany — Volkswagen AG wants to buy Rolls-Royce Motor Cars Ltd.'s Bentley luxury-car brand from Vickers PLC, the weekly German magazine Wirtschaftswoche will report Thursday.

The chief executive of Volkswagen, Ferdinand Piech, said in an interview with the magazine that VW was interested in buying Bentley and leaving the Rolls-Royce brand to Bayerische Motoren Werke AG. A VW spokesman, Kurt Rippholz, declined to comment on the report.

Volkswagen, best known for its modestly priced Golf and Beetle cars, wants to upgrade its image and compete with its main German rival, Mercedes-Benz, which is trying to make inroads on VW's market share by introducing subcompact and city cars.

BMW, which is considered the company most likely to acquire Rolls and is developing motors for a new generation of Rolls-Royce and Bentley cars, also declined to comment on the report. The automaker has threatened to stop delivering motors to Rolls-Royce if a rival carmaker buys the company.

Separately, VW said it would invest 376 million Deutsche marks ($206.6 million) this year and a total of 1 billion DM by the end of next year in its Salzgitter motor factory, which makes motors for its Golf and Passat models.

(Bloomberg, Reuters)

The Trib Index

Prices as of 3:00 PM New York time

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	167.54	+1.35	+0.81	-2.66
Regional Indexes				
Asia/Pacific	90.78	+3.63	+4.17	-5.51
Europe	187.41	+0.72	+0.39	-2.92
N. America	215.68	+0.70	+0.33	-0.14
S. America	135.04	-0.93	-0.68	-11.55
Industrial Indexes				
Capital goods	206.26	+0.56	+0.27	-0.15
Consumer goods	207.50	+0.68	+0.33	-1.06
Energy	184.84	+1.35	+0.74	-5.19
Finance	117.64	+2.02	+1.75	-4.33
Miscellaneous	134.24	[illegible]	[illegible]	-9.97
Raw Materials	159.64	[illegible]	[illegible]	[illegible]
Service	171.09	+1.43	+0.84	-1.85
Utilities	158.64	+0.37	+0.23	-4.93

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. For more information a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News

WORLD STOCK MARKETS

Wednesday, Jan. 14
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 923.58 Previous: 911.54

	High	Low	Close	Prev.
ABN-AMRO	40.30	39.70	40	39.40
Aegon	198.70	194.60	196.80	193.40
Ahold	53.70	52.70	53.20	52.90
Akzo Nobel	352.30	348.50	349.60	346.50
Baan Co.	71.10	69.20	69.90	66.90
Bols Wess cva	30.50	29.80	30.20	30.10
CSM cva	98.30	97.50	97.80	97.90
Dordtsche Pet	106.50	104.50	104.50	104
DSM	182.50	182	182.70	182.70
Elsevier	33.70	33.30	33.40	33.20
Fortis Amev	94.10	92.80	93.70	91.40
Getronics	64.20	62	63.80	61.80
G-Broc cva	48.60	47.90	48	48.60
Hagemeyer	84	82.30	83.90	81.30
Heineken	380.30	373	378.40	375.70
Hoogovens cva	78.90	75.60	75.90	78.30
Hunt Douglas	71	69.30	70	69
ING Group	89.90	88.40	88.70	87.90
KLM	73.50	72.50	72.90	72.40
KNP BT	44.10	43.30	43.70	43.90
KPN	86.70	84.70	86.40	84.40
Nedlloyd Gp	46	44.80	44.80	45.20
Nutricia	66.10	65	65	65.70
Oce Grinten	232	230	231.80	229.70
Philips Elec	121.80	119.40	120.80	116.20
Polygram	91.70	89.50	91.70	89
Randstad Hdg	85	80	84.50	80
Robeco	190.70	188.60	188.60	187.50
Rodamco	56.80	56.10	56.60	56.30
Rolinco	175.50	175	175.50	172.90
Rorento	123.50	123	123.20	122.80
Royal Dutch	108	105.70	106.30	105.60
Unilever cva	122.50	121.10	121.40	121.20
Vendex Intl	110.80	108	108	110
VNU	56.80	55.10	56	55.40
Wolters Kl cva	268.60	264.60	268.50	264

Bangkok
SET index: 367.49 Previous: 348.86

	High	Low	Close	Prev.
Adv Info Svc	250	240	246	232
Bangkok Bk F	105	93	103	87.50
Krung Thai Bk	10.25	9.90	10	9.80
PTT Explor	428	398	418	396
Siam Cement F	348	300	338	290
Siam Com Bk F	60.50	56.50	59.50	56.50
Telecomasia	11.75	9.90	11.50	9.60
Thai Airways	58.50	56	58	56.50
Thai Farm Bk F	73.50	68	69	62
Utd Comm	21.75	20.75	21.75	20.75

Bombay
Sensex 30 index: 3488.79 Previous: 3421.72

	High	Low	Close	Prev.
Bajaj Auto	569	550.50	560.75	558
Hindust Lever	1335	1298.50	1325	1319.25
Hindust Petlm	466.75	459	461	462.50
Ind Dev Bk	83	74.75	75.75	81.25
ITC	604	574	585.25	591.25
Mahanagar Tel	227.75	218.50	227	222.75
Reliance Ind	160.50	153.50	154.75	158
State Bk India	240	229.25	232.50	235
Steel Authority	10.25	9.25	9.25	9.75
Tata Eng Loco	279	249.75	252.50	275

Brussels
BEL-20 index: 2452.44 Previous: 2441.94

	High	Low	Close	Prev.
Almanij	1910	1870	1885	1890
Barco Ind	7230	7160	7230	7100
BBL	10700	10525	10550	10400
CBR	3410	3335	3375	3340
Colruyt	20000	19525	19600	19850
Delhaize Lion	2015	1990	1990	2000
Electrabel	9010	8970	8980	8920
Electrafina	3490	3410	3455	3470
Fortis AG	8300	8140	8260	8110
Gevaert	1730	1670	1730	1725
GBL	5490	5390	5390	5400
Gen Banque	15125	14825	14900	14925
Kredietbank	15650	15375	15500	15450
Petrofina	13700	13350	13450	13325
Powerfin	5690	5540	5690	5710
Royale Belge	11000	10800	10825	10875
Soc Gen Belg	3620	3550	3550	3560
Solvay	2275	2200	2200	2240
Tractebel	3335	3290	3315	3305
UCB	128900	126300	127850	125300

Copenhagen
Stock index: 695.64 Previous: 678.21

	High	Low	Close	Prev.
BG Bank	476	462	472	455
Carlsberg B	375	365	370.65	363
Codan Fors	976.20	970	975	963.82
Danisco	438	422	432	426
Den Danske Bk	960	909	950	920
D/S Svendborg B	485000	470000	470000	450000
D/S 1912 B	330000	298780	328000	324000
FLS Ind B	172	164	169.80	165
Kob Lufthavne	827.48	800	800	820
Nvo Nordisk B	961	944	953	940
Sophus Ber B	1251	1155	1235	1220
Tele Danmk B	485	468.90	478	469
Tryg Baltica	475	465	472	464.27
Unidanmark A	526	500	520	505

Frankfurt
DAX: 4190.08 Previous: 4159.40

	High	Low	Close	Prev.
AMB B	196.80	194.20	194.50	195
Adidas	246	239.50	245.10	235
Allianz	493	487	492	474
Altana	136.80	133.50	134.20	128.80
Axa Colonia	162.50	160	161	152.50
Bk Berlin	38.75	38.30	38.40	38.10
BASF	63.80	62.60	62.95	62.80
Bayer Hypo Bk	87.50	86.75	87.30	86.90
Bay.Vereinsbank	116	114.80	115	113.40
Bayer	66.63	64.55	64.78	66.40
Beiersdorf	78.50	75.50	78.25	78
Bilfinger	54.90	53.50	54.50	53.20
BMW	1310	1294	1297	1280
Commerzbank	67.10	66.60	64.70	66.90
Daimler Benz	122.80	121.40	122.25	122.80
Degussa	95.50	94	94.70	92.40
Deutsche Bank	115.15	113	113.30	112.60
Deut Telekom	31.49	31.05	31.50	31.55
Dresdner Bank	78.80	78.30	78.70	78.55
Fresenius	335	331	335	330
Fresenius Med	140.50	138.50	139	133
Fried. Krupp	309	303	303	307
Gehe	104.50	101	103.50	101
Heidelbg Zmt	125	124	125	123.50
Henkel pfd	118.50	117.60	118	114.90
HEW	462	461	462	462
Hochtief	64.90	62.50	62.50	62.40
Hoechst	67.15	65.20	65.80	65.65
Karstadt	592	586	588	579.50
Lahmeyer	69	68	68	66.20
Linde	1072	1055	1055	1057
Lufthansa R	34.95	34.80	34.90	34.45
MAN	487	482	483.50	505
Mannesmann	970	963	966	947
Metallgesellschaft	32.15	31.85	31.85	31.60
Metro	65.40	64.60	65	65.10
Munch Rueck R	635.50	629	632	626.80
Preussag	544	536.50	538.50	543.50
RWE	99.50	97.10	99.30	97.95
SAP	547.50	541	546	529
Schering	173	172	172.30	172.60
SGL Carbon	213	204	208	204.50
Siemens	107.50	105.20	105.20	106.75
Springer (Axel)	1300	1224	1300	1220
Suedzucker	900	900	900	900
Thyssen	367.80	359	359.50	363.50
Veba	120.40	119.10	120.30	119.30
VEW	590	555	590	575
Viag	1014	1000	1011.50	998
Volkswagen	1004	985	993	998

Helsinki
HEX General index: 3372.38 Previous: 3286.13

	High	Low	Close	Prev.
Enso A	43	43	43	42
Huhtamaki I	230	225	225	221
Kemira	53	52.30	52.50	51.50
Kesko	86.50	86	86.50	86.50
Merita A	30	29.20	29.80	28.90
Metra B	133.80	132	133.70	130
Metso-Serla B	41.90	40.90	40.90	40.90
Neste	135	131	132	126
Nokia A	399	380	393	380
Orion-Yhtymae	153	151.20	152.50	152
Outokumpu	67	65	65.50	64
UPM-Kymmene	112.50	108.10	111	107.50
Valmet	75	74	74.10	73.20

Hong Kong
Hang Seng: 9226.55 Previous: 8728.80

	High	Low	Close	Prev.
Amoy Props	5.85	5.45	5.85	5.30
Bk East Asia	14.45	13.95	14.05	13.75
Cathay Pacific	6.30	5.80	6	5.90
Cheung Kong	39.20	37.20	39	36.20
CK Infrastruct	19	18.20	18.30	18.25
CLP Holdings	41.70	39.50	41.20	38.80
Citic Pacific	24.40	22.60	23.80	21.85
Dao Heng Bk	14.40	13.50	14.30	13
First Pacific	2.50	2.33	2.45	2.23
Hang Lung Dev	9.65	9.40	9.55	9.45
Hang Seng Bk	68.25	63.50	66.50	62.75
Henderson Inv	5.70	5.20	5.65	5
Henderson Ld	28.20	26.85	27.80	26.70
HK China Gas	13.90	13.20	13.50	13.05
HK Electric	27.50	26.05	27.15	26
HK Telecomm	15.35	14.60	15.15	14.50
Hopewell Hdgs	1.21	1.12	1.20	1.12
HSBC Hdgs	178.50	170	176	167.50
Hutchison Wh	42.50	39.80	42.40	39
Hysan Dev	11.55	10.80	11.45	10.75
Johnson El Hdg	20.80	20	20.50	20.10
Kerry Props	8	7.70	7.70	7.55
New World Dev	20.95	19.10	20.20	18.65
Oriental Press	1.85	1.80	1.83	1.80
Pearl Oriental	0.26	0.24	0.25	0.25
SHK Props	39.30	36.80	38.50	36.10
Shun Tak Hdgs	1.83	1.78	1.81	1.74
Sino Land Co.	3.65	3.43	3.50	3.63
Sth China Post	5.20	5	5	4.95
Swire Pac A	38.50	35.60	38.20	35
Wharf Hdgs	11.55	11	11.30	10.90
Wheelock	7.10	6.50	6.95	6.70

Jakarta
Composite index: 403.98 Previous: 392.14

	High	Low	Close	Prev.
Astra Intl	1475	1150	1450	1125
Bk Intl Indon	350	300	325	325
Bk Negara	525	500	525	475
Gudang Garm	8800	7800	8750	7575
Indocement	2900	2750	2900	2725
Indofood	1575	1275	1575	1200
Indosat	11700	10600	11025	11000
Sampoerna HM	4700	4175	4475	4000
Semen Gresik	3800	3625	3750	3625
Telekomunikasi	3375	3075	3250	3225

Johannesburg
All Market: 5807.94 Previous: 5691.61

	High	Low	Close	Prev.
ABSA Group	27.10	26.70	27.05	26.25
AngloAm Coal	216.80	215	215	216
AngloAm Corp	166.20	160	166.20	160
AngloAm Gold	185	178	182	174
AngloAm Ind	104	99.30	99.50	99
AngloAM Plat	58.50	54	58.50	50.50
AVMIN	4.45	4.15	4.16	4.25
Barlow	40.60	39.70	39.75	40.10
C.G. Smith	19.20	18.30	19.05	18.30
De Beers	92.20	88.80	89	91
Driefontein	30	29.50	29.50	28.80
Fst Natl Bk	40.60	39.90	40.20	39.20
Gencor	7.35	7	7.20	6.90
GFSA	74	69.50	70.50	68.50
Imperial Hdgs	52.30	52	52	51.60
Ingwe Coal	16.50	14.25	16.30	16
Iscor	1.54	1.46	1.46	1.46
Johnnies Indl	48	47.80	48	47.40
Liberty Hdgs	323	323	323	320.20
Liberty Life	118	118	120	117.60
LibLife Strat	15.90	14.85	15.80	14.90
Minorco	76	74	75	74
Nampak	14.50	14	14.30	13.90
Nedcor	108.60	105.60	108.40	105.20
Rembrandt Gp	32.75	32	32.45	31.60
Richemont	52	50.70	51.50	51.20
SA Breweries	114	111.40	112.80	111
Samancor	20.50	20	20	20.30
Sasol	44.50	42.75	43	41.50
SBIC	205.20	202.80	205.20	197
Tiger Oats	64.90	63.50	64	61.50

Kuala Lumpur
Composite: 536.68 Previous: 503.89

	High	Low	Close	Prev.
AMMB Hdgs	2.20	2.04	2.12	2
Genting	10.10	9.60	9.85	9.60
Mal Banking	9.70	9	9.10	9.15
Mal Intl Ship F	5.40	4.96	5.05	4.76
Petronas Gas	8.95	8.15	8.95	8.05
Proton	2.50	2.25	2.44	2.18
Public Bk	1.31	1.20	1.20	1.22
Renong	0.92	0.68	0.83	1.30
Resorts World	6.50	6.20	6.20	6.10
Rothmans PM	33	31	32	30.75
Sime Darby	4.16	3.62	4.08	3.54
Telekom Mal	10.70	9.55	10.70	9.35
Tenaga	7	6.50	6.60	6.35
Utd Engineers	2.25	1.60	1.88	2.27
YTL	5	4.86	4.90	4.86

London
FT-SE 100: 5106.90 Previous: 5083.90

	High	Low	Close	Prev.
Abbey Natl	11.35	11.05	11.24	11.13
Allied Domecq	5.31	5.16	5.26	5.31
Anglian Water	8.82	8.72	8.76	8.76
Argos	5.47	5.36	5.38	5.43
Asda Group	1.88	1.84	1.88	1.86
Assoc Br Foods	5.80	5.68	5.72	5.78
BAA	4.84	4.69	4.69	4.75
Barclays	16.75	16.15	16.53	16.11
Bass	9.20	8.88	8.95	9.14
BAT Ind	5.74	5.59	5.70	5.66
Bank Scotland	5.45	5.36	5.37	5.39
Blue Circle	3.22	3.10	3.12	3.17
BOC Group	9.10	8.85	8.85	8.84
Boots	8.56	8.15	8.16	8.87
BPB Ind	3.24	3.17	3.22	3.22
Brit Aerosp	17.25	16.12	16.54	17.17
Brit Airways	5.77	5.53	5.56	5.71
BG	3.08	3.02	3.06	3.02
Brit Land	6.86	6.77	6.85	6.79
Brit Petm	8.13	7.94	8.03	7.89
BSkyB	4.22	4.04	4.15	4.13
Brit Steel	1.34	1.30	1.31	1.33
Brit Telecom	5.19	5	5.17	5.04
BTR	1.73	1.65	1.69	1.70
Burmah Castrol	10.33	9.82	9.85	9.97
Burton Gp	1.47	1.41	1.44	1.40
Cable Wireless	5.03	4.92	4.95	4.91
Cadbury Schw	6.89	6.30	6.85	6.36
Carlton Comm	4.73	4.56	4.60	4.60
Comml Union	8.80	8.56	8.74	8.69
Compass Gp	7.85	7.75	7.80	7.75
Courtaulds	2.70	2.63	2.64	2.68
Diageo	5.76	5.63	5.68	5.70
Dixons	5.40	5.16	5.24	5.83
Electrocomponents	4.90	4.82	4.88	4.85
EMI Group	4.90	4.70	4.70	4.89
Energy Group	6.85	6.80	6.81	6.79
Enterprise Oil	5.68	5.55	5.56	5.54
Fam Colonial	1.74	1.72	1.73	1.72
Genl Accident	11.36	10.53	11.13	11.19
GEC	3.97	3.90	3.91	3.92
GKN	13.20	12.85	12.85	13.05
Glaxo Wellcome	16	14.86	14.90	15.02
Granada Gp	9.57	9.45	9.49	9.48
GRE	3.56	3.48	3.51	3.47
Greenalls Gp	4.18	4.08	4.13	4.18
GUS	7.42	7.30	7.34	7.45
Hays	8.10	7.82	8	8.05
HSBC Hldgs	14.15	13.02	13.28	13.09
ICI	9.43	9.28	9.30	9.35
Impl Tobacco	4.20	4.13	4.16	4.13
Kingfisher	9.28	9.13	9.23	9.08
Ladbroke	2.78	2.73	2.77	2.76
Land Sec	10.19	10.04	10.14	10.04
Lasmo	2.57	2.52	2.54	2.51
Legal Genl Grp	5.75	5.55	5.68	5.59
Lloyds TSB Gp	7.94	7.67	7.70	7.73
LucasVarity	2.15	2.08	2.14	2.08
Marks Spencer	6.07	5.85	5.88	5.99
MEPC	5.39	5.26	5.36	5.28
Mercury Asset	17	16.95	17	17
National Grid	2.76	2.64	2.68	2.73
Natl Power	6.55	6.44	6.44	6.46
NatWest	9.98	9.80	9.86	9.82
Next	7.30	7.16	7.25	7.26
Norwich Union	4.06	3.95	4	3.98
Orange	2.55	2.47	2.53	2.48
P&O	7.03	6.90	6.94	6.93
Pearson	7.83	7.65	7.76	7.70
Pilkington	1.26	1.20	1.21	1.24
PowerGen	8.19	8.10	8.12	8.09
Premier Farnell	4.13	4.05	4.05	4.08
Prudential	7.74	7.57	7.69	7.66
Railtrack Gp	8.98	8.40	8.40	8.77
Rank Group	3.40	3.28	3.28	3.36
Reckitt Colm	9.22	8.87	9.01	9.12
Redland	3.46	3.42	3.42	3.42
Reed Intl	6.11	5.98	6.10	6.01
Rentokil Initial	2.89	2.80	2.87	2.80
Reuters Hdgs	6.39	6.20	6.23	6.34
Rexam	2.80	2.71	2.73	2.78
RTZ reg	7.63	6.92	7.13	6.94
RMC Group	8.40	8.22	8.25	8.27
Rolls Royce	2.28	2.13	2.17	2.25
Royal Bk Scot	8.05	7.83	7.83	7.89
Royal & Sun All	6.35	6.20	6.27	6.20
Safeway	3.48	3.39	3.47	3.39
Sainsbury	5.01	4.89	4.93	4.97
Schroders	18.85	18.37	18.47	18.20
Scot Newcastle	7.43	7.35	7.35	7.33
Scot Power	5.32	5.15	5.19	5.28
Securicor	3.24	3.19	3.24	3.19
Severn Trent	10.40	10.15	10.15	10.25
Shell Transp R	4.19	4.08	4.12	4.10
Siebe	11.22	10.80	11.01	11.17
Smith Nephew	1.75	1.73	1.75	1.74
SmithKline	6.51	6.37	6.45	6.36
Smiths Ind	8.35	7.80	7.95	7.96
Sthern Elec	5.36	5.26	5.26	5.29
Stagecoach	8.45	8.34	8.37	8.42
Stand Charter	5.84	5.40	5.43	5.57
Tate & Lyle	5.29	5.16	5.24	5.31
Tesco	5.04	4.94	4.96	5.01
Thames Water	9.08	8.92	9	9.03
3i Group	5.26	5.09	5.10	5.17
TI Group	4.95	4.84	4.85	4.93
Tomkins	3.06	2.84	3.04	3.03
Unilever	4.95	4.48	4.88	4.91
Utd Assurance	5.40	5.33	5.34	5.37
Utd News	7.03	6.90	6.90	6.97
Utd Utilities	8.55	8.41	8.45	8.52
Vendome Lx uts	4.80	4.75	4.76	4.75
Vodafone	4.44	4.31	4.40	4.29
Whitbread	8.89	8.69	8.70	8.73
Williams Hdgs	3.56	3.49	3.52	3.49
Wolseley	4.74	4.67	4.70	4.89
WPP Group	2.55	2.40	2.48	2.55
Zeneca	22.37	21.28	21.65	21.36

Madrid
Bolsa index: 659.31 Previous: 653.87

	High	Low	Close	Prev.
Acerinox	22890	22250	22300	22500
ACESA	2040	2025	2025	2015
Aguas Barcelon	6500	6410	6490	6400
Argentaria	9580	9450	9450	9430
BBV	5290	5230	5270	5190
Banesto	1600	1575	1575	1575
Bankinter	9390	9210	9300	9290
Bco Centro Hisp	3860	3770	3795	3770
Bco Popular	11600	11130	11300	11380
Bco Santander	5460	5350	5450	5350
CEPSA	4690	4643	4650	4640
Continente	2975	2930	2970	2946
Corp Mapfre	3880	3800	3810	3815
Endesa	2780	2730	2730	2720
FECSA	1235	1215	1235	1210
Gas Natural	7608	7440	7490	7500
Iberdrola	2050	2025	2040	2035
Pryca	2530	2415	2495	2390
Repsol	6740	6620	6710	6660
Sevillana Elec	1405	1395	1400	1395
Tabacalera	13980	13500	13500	13710
Telefonica	4760	4715	4730	4715
Union Fenosa	1490	1480	1485	1475
Valenc Cement	2995	2970	2995	2995

Manila
PSE Index: 1686.22 Previous: 1590.99

	High	Low	Close	Prev.
Ayala	14.50	13.75	14.50	14
Ayala Land	14.50	13.75	14.50	13.50
Bk Philip Isl	73	69	72.50	70.50
C&P Homes	1.56	1.38	1.40	1.46
Manila Elec A	73	71	72	71.50
Metro Bank	234	215	233	210
Petron	3.65	3.40	3.55	3.35
PCIBank	94	90	91	90
Phil Long Dist	870	840	870	820
San Miguel B	46	38.50	46	37.50
SM Prime Hdg	5.50	5.10	5.50	5.40

Mexico
Bolsa index: 4636.87 Previous: 4673.55

	High	Low	Close	Prev.
Alfa A	47.30	44.60	44.60	46.30
Banacci B	22.80	22.10	22.15	22.40
Cemex CPO	30.70	29.20	29.20	30.30
Cifra C	17.10	16.60	16.80	16.40
Emp Moderna	39.00	38.60	38.80	39.00
Gpo Carso A1	48.20	46.00	46.60	47.00
Gpo F Bcomer	2.94	2.85	2.85	2.90
Gpo Fin Inburso	29.65	29.55	29.65	29.70
Kimb Clark Mex	37.25	35.80	37.00	35.90
Televisa CPO	141.20	136.30	136.30	141.00
TelMex L	20.55	20.05	20.35	20.40

Milan
MIB Telematico: 18027.00 Previous: 17859.00

	High	Low	Close	Prev.
Alleanza Assic	22950	21800	22550	21700
Bca Comm Ital	7230	6900	6995	6990
Bca Fideuram	9130	8630	8795	8965
Bca di Roma	2335	2160	2290	2140
Benetton	31950	30550	31900	31000
Credito Italiano	6250	6050	6110	6035
Edison	11550	10700	11545	10850
ENI	9970	9775	9850	9925
Fiat	5200	5050	5050	5130
Generali Assic	48800	47650	48500	47450
IMI	23850	22150	22300	23450
INA	3800	3710	3745	3690
Italgas	7600	7175	7500	7195
Mediaset	9090	8825	8960	9010
Mediobanca	15370	14830	14955	14760
Montedison	1680	1644	1662	1625
Olivetti	1500	1451	1472	1390
Parmalat	2615	2480	2500	2565
Pirelli	4680	4530	4545	4575
RAS	18940	18000	18900	17910
Rolo Banca	29000	28050	28850	27500
S Paolo Torino	19550	18805	19395	18720
Telecom Italia	12490	12300	12300	12435
TIM	8580	8350	8450	8325

Montreal
Industrials index: 3288.11 Previous: 3267.35

	High	Low	Close	Prev.
Bce Mob Com	36½	35½	35½	36
Cdn Tire A	31.20	31	31.10	31¼
Cdn Util A	44	43¾	44	43.20
CT Finl Svc	52½	52½	52½	52.40
Gaz Metro	18.65	18⅝	18.65	18½
Gt-West Lifeco	39.60	39	39.60	38¾
Imasco	49.65	49.40	49½	49.60
Investors Grp	43	42	42¾	41½
Loblaw Cos	25.55	25.40	25.55	25.80
Natl Bk Canada	22.20	21.40	22.10	21.70
Power Corp	48.95	48½	48½	48.40
Power Finl	47.40	47	47.40	47
Quebecor B	23.90	23.60	23.85	23¾
Rogers Comm B	6.10	5.90	6.10	6.10
Royal Bk Cda	77.30	75¾	76.05	76.70

Oslo
OBX Index: 638.37 Previous: 628.55

	High	Low	Close	Prev.
Aker A	124.50	121.50	122.50	122
Bergesen Dy A	161	154	155	153.50
Christiania Bk	29.40	28.90	29	28.70
Den norske Bk	35.30	35	35.10	34.70
Elkem	90.50	88.50	89	87.50
Hafslund A	45	44	44	42.50
Kvaerner	319	307	308	303
Norsk Hydro	333	330.50	331	326
Norske Skog A	196	193	193	191
Nycomed Amer	269	267	267	265
Orkla A	642	630	636	627
Petm GeoSvc	419	412	413	402
Saga Petm A	121	117	119	116.50
Schibsted	125	123.50	123.50	123
Transocean Off	292.50	292.50	292.50	315
Storebrand	54.50	54	54.50	53

Paris
CAC-40: 2919.80 Previous: 2902.93

	High	Low	Close	Prev.
Accor	1115	1088	1110	1089
AGF	319	317.80	318.90	317.80
Air Liquide	885	860	872	868
Alcatel Alsth	775	765	770	762
Axa-UAP	460	453.30	459	452.70
Bancaire	890	870	889	865
BIC	434.90	417	425.10	414
BNP	297	276	278.90	285
Canal Plus	1185	1139	1139	1185
Carrefour	2964	2890	2909	2912
Casino	337.50	334.10	337	337.30
CCF	403.50	390.20	395.30	388.70
Cetelem	780	723	750	775
Christian Dior	588	576	584	578
Credit Agricole	1275	1246	1275	1279
Danone	1069	1053	1061	1059
Dexia	750	731	742	737
Elf-Aquitaine	642	628	632	[illegible]
Eridania BS	[illegible]	1070	[illegible]	[illegible]
Eurodisney	7.40	7.25	[illegible]	[illegible]
Eurotunnel	[illegible]	5.80	5.90	5.95
France Telecom	240	235.30	237.60	237.10
Gen. Eaux	808	790	803	800
Havas	427.90	421.10	421.90	421.70
Imetal	700	678	681	680
Lafarge	374.50	361.50	363.90	366.70
Legrand	1179	1135	1142	1152
L'Oreal	2310	2185	2207	2268
LVMH	938	921	926	925
Michelin B	304	294	295.60	289.80
Paribas A	534	521	524	514
Pernod Ricard	381.80	372	378	378.90
Peugeot Cit	813	792	807	787
Pinault-Print	3498	3390	3415	3414
Promodes	2505	2421	2494	2434
Renault	176.90	172.50	174.90	173
Rexel	1879	1776	1879	1775
Rh-Poulenc A	298.80	284.60	291.10	284
Sanofi	643	622	626	632
Schneider	327.80	318.20	318.40	321.80
SEB	805	750	751	818
SGS Thomson	360.70	336.90	337.10	328
Ste Generale	737	720	730	708
Sodexho	3289	3200	3210	3240
St Gobain	815	801	805	803
Suez (Cie)	16.50	16.50	16.50	16.20
Suez Lyon Eaux	670	660	666	666
Synthelabo	787	762	776	789
Thomson CSF	186	177	178.60	177.10
Total B	604	593	598	582
Usinor	79.05	77.50	78.40	76.95
Valeo	415	402.10	405.10	401

São Paulo
Bovespa index: 9349.44 Previous: 9415.56

	High	Low	Close	Prev.
Bradesco Pfd	8.94	8.36	8.45	8.50
Brahma Pfd	735.00	722.00	735.00	720.00
Cemig Pfd	48.01	44.50	45.00	45.49
CESP Pfd	62.00	58.50	58.50	59.00
Copel	11.50	11.010	11.30	11.30
Eletrobras	48.50	45.80	46.00	46.40
Itaubanco Pfd	580.00	565.00	570.00	560.00
Light Servicios	408.00	400.00	404.00	385.00
Lightpar	255.00	247.00	247.49	249.98
Petrobras Pfd	250.00	238.00	241.00	240.00
Paulista Luz	141.01	139.00	140.50	139.00
Sid Nacional	28.490	27.00	27.50	27.69
Souza Cruz	8.75	8.70	8.75	8.60
Telebras Pfd	122.00	116.00	116.70	117.80
Telemig	121.00	116.00	116.00	115.10
Telerj	108.00	101.00	103.00	101.00
Telesp Pfd	300.00	278.00	279.00	287.99
Unibanco	44.50	44.50	44.50	45.99
Usiminas Pfd	6.250	5.80	5.900	5.98
CVRD Pfd	21.20	20.40	20.60	20.50

Seoul
Composite index: 475.13 Previous: 463.74

	High	Low	Close	Prev.
Dacom	78100	69900	69900	72400
Daewoo Heavy	6310	6020	6310	5850
Hyundai Eng.	11600	10800	11200	10900
Kia Motors	7460	7190	7400	6910
Korea El Pwr	20100	19200	19700	19500
Korea Exch Bk	4100	3800	3860	3860
LG Semicon	23900	23900	23900	22200
Pohang Iron St	50900	48500	49200	49600
Samsung Display	46500	41000	46100	43100
Samsung Elec	55900	52800	55900	51800
Shinhan Bank	7830	7250	7600	7490
SK Telecom	480000	461000	473000	473000

Singapore
Straits Times: 1243.27 Previous: 1156.52

	High	Low	Close	Prev.
Asia Pac Brew	3.40	3.24	3.40	3.04
Cerebos Pac	3.66	3.40	3.50	3.30
City Devits	5.95	5.15	5.15	5.40
Cycle Carriage	5.05	4.50	4.84	4.50
Dairy Farm Intl *	1	0.94	0.94	0.99
DBS foreign	12.50	11.80	12	11.30
DBS Land	2.12	1.80	1.80	1.91
Fraser & Neave	6.65	6.40	6.55	6.15
HK Land *	1.51	1.33	1.43	1.32
Jard Matheson *	4.40	4.20	4.20	4.14
Jard Strategic *	2.42	2.21	2.23	2.30
Keppel A	3.98	3.50	3.90	3.46
Keppel Bank	2.24	1.81	2.07	1.75
Keppel Fels	4.20	4	4.10	3.94
Keppel Land	1.68	1.30	1.32	1.42
OCBC foreign	7.55	6.80	6.80	6.50
OS Union Bk F	5.40	5.05	5.06	4.88
Parkway Hdgs	2.46	2.10	2.27	2.05
Sembawang	2.35	2.01	2.12	1.95
Sing Air foreign	11.20	10.50	10.60	11
Sing Land	2.95	2.60	2.60	2.50
Sing Press F	21.10	20	20.80	19.40
Sing Tech Ind	1.37	1.03	1.29	1
Sing Telecomm	3.26	3.14	3.24	3.10
Tat Lee Bank	2.19	1.85	2.02	1.79
Utd Industrial	0.49	0.43	0.44	0.41
Utd O'Sea Bk F	7	6.50	6.50	6.35
Wing Tai Hdgs	1.11	0.91	0.95	0.90

*: in U.S. dollars.

Stockholm
SX 16 index: 3122.73 Previous: 3038.60

	High	Low	Close	Prev.
AGA B	98	96.50	96.50	96
ABB A	85.50	82.50	83	83
AssiDoman	200	193	195	196
Astra A	138.50	136.50	137.50	135.50
Atlas Copco A	204	199.50	200	197.50
Autoliv	264	256.50	257	260
Electrolux B	542	528	542	519
Ericsson B	293.50	286.50	289	278
Forenings Spar	202.50	198.50	201	198.50
Hennes B	332	318	331	312
Incentive A	705	689	701	676
Investor B	367.50	353	364	348
MoDo B	203	195	197.50	196
Pharm/Upjohn	280	276	279	274.50
Sandvik B	200	195.50	196	196
Scania B	173	170	171	168
SCA B	168	165.50	167.50	163
S-E Banken A	105.50	103.50	104.50	102.50
Skandia Fors	417.50	411	416	404
Skanska B	337	328.50	334	325.50
SKF B	153.50	149	153.50	149.50
Stora A	94.50	93.50	93.50	92.50
Sv Handels A	298.50	290	295.50	287
Volvo B	202	196	201	194

Sydney
All Ordinaries: 2605.30 Previous: 2565.30

	High	Low	Close	Prev.
Amcor	6.73	6.60	6.63	6.57
ANZ Bkng	9.75	9.63	9.70	9.54
BHP	14.01	13.46	14	13.35
Boral	3.59	3.51	3.52	3.48
Brambles Ind.	30.40	30	30	30
CBA	18.05	17.82	18.04	17.75
CC Amatil	10.23	10.03	10.06	9.98
Coles Myer	7.64	7.51	7.62	7.47
Comalco	5.98	5.90	5.90	5.95
CSR	5.33	5.23	5.25	5.21
Fosters Brew	3.04	2.97	3.02	2.97
Goodman Fld	2.42	2.38	2.40	2.37
ICI Australia	10.78	10.58	10.60	10.60
Lend Lease	31.90	31.30	31.30	31.35
MIM Hdgs	0.81	0.77	0.78	0.73
Nat Aust Bank	22.15	21.80	21.92	21.82
Nat Mutual Hdg	2.95	2.84	2.88	2.84
News Corp	8.80	8.68	8.77	8.72
Pacific Dunlop	3.09	3.03	3.04	3.08
Pioneer Intl	4.09	3.97	3.99	3.96
Pub Broadcast	7	6.90	6.97	6.86
Rio Tinto	18.30	17.02	18.30	16.95
St George Bank	8.84	8.72	8.79	8.71
WMC	4.80	4.51	4.80	4.49
Westpac Bking	10.11	9.91	9.98	9.90
Woodside Pet	9.92	9.66	9.73	9.76
Woolworths	5.13	5.02	5.04	4.98

Taipei
Stock Market index: 7798.25 Previous: 7513.24

	High	Low	Close	Prev.
Cathay Life Ins	134.50	130	134.50	129
Chang Hwa Bk	82.50	80.50	82	80
Chiao Tung Bk	64.50	62	64.50	61.50
China Develpmt	88	83.50	88	82.50
China Steel	25.10	24.60	25.10	24.60
First Bank	82.50	80.50	81.50	80.50
Formosa Plastic	68.50	66.50	67.50	67
Hua Nan Bk	83.50	82	82.50	81.50
Intl Comm Bk	55	53.50	54.50	53
Nan Ya Plastics	57.50	56	57.50	56.50
Shin Kong Life	93	89.50	92.50	88.50
Taiwan Semi	108	104.50	108	101
Tatung	31.70	31.10	31.60	31
Utd Micro Elec	60.50	58	60.50	57
Utd World Chin	52	50.50	52	50.50

Tokyo
Nikkei 225: 15121.98 Previous: 14755.94

	High	Low	Close	Prev.
Ajinomoto	1300	1270	1300	1260
All Nippon Air	480	470	473	473
Amway	2430	2400	2420	2400
Asahi Bank	489	465	489	460
Asahi Chem	419	408	418	407
Asahi Glass	518	492	515	490
Bk Tokyo Mitsu	1740	1700	1740	1660
Bk Yokohama	324	315	320	317
Bridgestone	3060	3030	3060	2970
Canon	3090	3040	3080	3010
Chubu Elec	2030	2010	2030	2020
Chugoku Elec	1870	1860	1860	1870
Dai Nipp Print	2430	2380	2400	2370
Daiei	545	525	526	525
Dai-Ichi Kang	670	637	660	620
Daiwa Bank	256	245	255	237
Daiwa House	786	765	782	738
Daiwa Sec	468	449	465	444
DDI	2970a	2880a	2940a	2890a
Denso	2620	2590	2620	2490
East Japan Ry	5540a	5460a	5520a	5450a
Eisai	1750	1710	1730	1720
Fanuc	4820	4720	4780	4700
Fuji Bank	594	571	584	554
Fuji Photo	5170	5000	5130	5100
Fujitsu	1470	1420	1450	1390
Hachijuni Bk	975	960	970	960
Hitachi	947	925	947	917
Honda Motor	4750	4610	4750	4600
IBJ	862	803	854	778
IHI	218	210	218	207
Itochu	200	194	200	196
Ito-Yokado	6630	6410	6630	6400
JAL	347	341	344	344
Japan Tobacco	8730a	8640a	8700a	8620a
Jusco	1660	1570	1640	1570
Kajima	295	286	295	282
Kansai Elec	2180	2140	2160	2140
Kao	1870	1810	1870	1800
Kawasaki Hvy	233	228	233	223
Kawa Steel	158	150	155	146
Kinki Nipp Ry	690	684	690	684
Kirin Brewery	988	963	984	960
Kobe Steel	100	97	100	100
Komatsu	560	525	548	499
Kubota	307	278	288	309
Kyocera	6380	6250	6330	6240
Kyushu Elec	1900	1870	1890	1890
LTCB	203	190	200	189
Marubeni	215	207	212	205
Marui	2040	1990	2010	2010
Matsu Comm	3750	3680	3700	3690
Matsu Elec Ind	1960	1910	1930	1920
Matsu Elec Wk	1070	1030	1060	1030
Mitsubishi	925	868	909	848
Mitsubishi Ch	144	138	141	137
Mitsubishi El	299	283	288	303
Mitsubishi Est	1380	1310	1350	1290
Mitsubishi Hvy	500	477	499	464
Mitsubishi Mat	368	355	366	365
Mitsubishi Tr	1320	1240	1320	1200
Mitsui	718	675	717	663
Mitsui Fudosn	1170	1130	1170	1100
Mitsui Trust	250	233	249	224
Murata Mfg	3570	3530	3570	3400
NEC	1480	1450	1480	1440
Nikon	1380	1320	1370	1300
Nikko Sec	378	318	324	326
Nintendo	13200	12800	13200	12500
Nipp Express	660	647	660	635
Nippon Oil	377	354	377	358
Nippon Steel	155	150	150	148
Nissan Motor	515	510	511	509
NKK	99	95	97	100
Nomura Sec	1720	1690	1710	1690
NTT	1120b	1090b	1120b	1100b
NTT Data	6500b	6420b	6500b	6330b
Oji Paper	445	415	427	403
Osaka Gas	288	280	288	278
Ricoh	1590	1570	1570	1560
Rohm	13300	13100	13100	13000
Sakura Bk	354	343	353	335
Sankyo	3400	3290	3300	3340
Sanwa Bank	1240	1180	1240	1120
Sanyo Elec	314	305	313	296
Secom	8420	8300	8420	8190
Seibu Rwy	5350	5200	5200	5260
Sekisui Chem	670	645	670	651
Sekisui House	839	810	839	810
Seven-Eleven	8960	8820	8950	8730
Sharp	957	925	955	909
Shikoku El Pwr	1890	1870	1870	1880
Shimizu	299	284	292	281
Shin-etsu Ch	2850	2750	2830	2670
Shiseido	1680	1640	1660	1650
Shizuoka Bk	1390	1370	1380	1370
Softbank	3700	3410	3600	3350
Sony	11900	11600	11700	11600
Sumitomo	695	645	693	635
Sumitomo Bk	1370	1340	1370	1290
Sumit Chem	256	248	256	241
Sumitomo Elec	1790	1760	1790	1760
Sumit Metal	162	154	154	153
Sumit Trust	620	590	613	576
Taisho Pharm	3090	3020	3040	3090
Takeda Chem	3600	3520	3560	3550
TDK	9200	8900	9190	9000
Tohoku El Pwr	1950	1920	1930	1920
Tokai Bank	592	573	590	561
Tokio Marine	1460	1420	1450	1390
Tokyo El Pwr	2370	2320	2370	2320
Tokyo Electron	4380	4150	4380	4030
Tokyo Gas	291	285	289	291
Tokyu Corp.	496	482	490	487
Tonen	692	684	690	683
Toppan Print	1630	1590	1610	1600
Toray Ind	540	528	537	521
Toshiba	524	509	524	514
Tostem	1140	1100	1120	1110
Toyo Trust	780	761	773	769
Toyota Motor	3710	3670	3710	3630
Yamanouchi	3030	3000	3020	2980

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6342.93 Previous: 6329.59

	High	Low	Close	Prev.
Abitibi Cons.	17.20	16.85	16.85	17.15
Alberta Energy	27.70	27¼	27.60	27.35
Alcan Alum	38.10	37.45	37½	37¼
Anderson Expl	12.95	12¾	12.95	12.80
Bk Montreal	60.60	59.30	59.90	60¼
Bk Nova Scotia	62½	60.20	61.15	61¼
Barrick Gold	25.70	24.65	24.90	24.20
BCE	47.05	46½	46.95	46.35
BC Telecomm	46½	46¼	46.40	46.35
Biochem Pharm	28.05	25.40	27.60	25.10
Bombardier B	27.40	26.90	27.10	27.40
Cameco	41½	40½	41½	40¼
CIBC	41.60	39.35	39.90	40.80
Cdn Natl Rail	68.40	66.80	67.85	66.90
Cdn Nat Res	27½	26	26¼	26.20
Cdn Occid Pet	27.65	27.05	27.15	27.40
Cdn Pacific	34⅝	34.40	34.45	34⅜
Cominco	21.70	21	21.70	20¾
Dofasco	23½	22.90	23.10	23
Domtar	8.55	8.40	8.55	8.40
Donohue A	25	24.85	24.85	25.10
Du Pont Cda A	35	34.95	34.95	34¾
EdperBrascan	23¼	22.80	23	22.90
EuroNev Mng	17½	16.45	16.60	16.40
Fairfax Finl	308	306	308	302
Falconbridge	16⅞	16.30	16½	16.30
Fletcher Chall A	19	18.40	18.65	18.80
Franco Nevada	27¾	26½	26.85	27.20
Gulf Cda Res	8.15	7.85	7.95	8
Imperial Oil	82.60	82½	83.15	83
Inco	22¼	21.70	21.90	21.90
IPL Energy	63.55	63.15	63.15	63.45
Laidlaw B	21	20¾	20.70	20¾
Loewen Group	32½	31	31.30	32½
Macmill Bldl	14.35	13.90	14⅛	14.05
Magna Intl A	88¾	87¼	88.10	87.70
Methanex	10.90	10.65	10.80	11
Moore	21.90	21.35	21.90	21.40
Newbridge Net	44.90	42.65	43.70	43
Noranda Inc	23	22.30	22.90	22.30
Norcen Energy	14	13.70	13¼	13.80
Nthern Telecom	64¼	62.55	64.10	63.20
Nova	14	13.70	13.83	14
Onex	25.40	24½	25	25.10
Pancdn Petlm	20.30	20	20	20.15
Petro Cda	24.35	23¼	23.80	23.80
Placer Dome	17½	16.70	16¾	16.70
Poco Petlm	11.65	11.40	11.60	11.85
Potash Sask	116½	115½	115.60	115
Renaissance	26¼	25.65	25.95	26
Rio Algom	22	21.60	21.95	21¼
Rogers Cantel B	13.45	12	12.05	12.40
Seagram Co	49.95	48.55	48¼	49.35
Shell Cda A	22.80	22¼	22.70	23
Suncor	44.60	44.30	44½	43.90
Talisman Eny	37	35.85	35.95	36.60
Teck B	20.30	19½	19.60	20
Teleglobe	42¼	42.40	42¼	42
Telus	31.85	31.55	31.70	31.85
Thomson	38¼	37.10	37.60	38
TorDom Bank	53¼	51.80	52.30	52¼
Transalta	23¼	23.55	23.65	23¼
TransCda Pipe	32.55	32¼	32¼	32½
Trimark Finl	54¼	53¼	54¼	51.60
Trizec Hahn	32¼	31.85	32¼	31.80
TVX Gold	3.90	3.73	3.73	3.77
Westcoast Eny	33.10	32.90	33	33
Weston	121	119	120	120

Vienna
ATX index: 1255.38 Previous: 1245.69

	High	Low	Close	Prev.
Bank Austria	680	670	675	673
Boehler-Uddeh	719.90	705	709	696
Creditanst Pfd	809	771	809	797
EA-Generali	3222	3185	3185	3168
EVN	1839	1737.05	1839	1735
Flughafen Wien	524	505	517.60	505.70
OMV	1560	1545	1550	1530
Oest Elektriz	1368.50	1355	1362	1365
VA Stahl	457.50	438	443	456
VA Tech	1819.50	1735.50	1744	1784
Wienerberg Bau	2340	2302	2310	2325

Wellington
NZSE-40 index: 2234.40 Previous: 2214.52

	High	Low	Close	Prev.
Air N Zeald B	2.75	2.60	2.75	2.70
Brierly Invt	1.11	1.09	1.10	1.10
Carter Holt ord	2.72	2.69	2.70	2.65
Fletch Ch Bldg	3.75	3.70	3.75	3.67
Fletch Ch Eny	6.05	5.85	6.05	5.80
Fletch Ch Forst	1.39	1.38	1.38	1.39
Fletch Ch Paper	2.17	2.16	2.17	2.13
Lion Nathan	4.18	4.07	4.17	4.07
Telecom NZ	7.95	7.81	7.90	7.75
Wilson Horton	9.80	9.80	9.80	9.80

Zurich
SPI index: 3832.87 Previous: 3840.50

	High	Low	Close	Prev.
ABB B	1694	1633	1633	1664
Adecco B	463	438	450	431.50
Alusuisse R	1487	1474	1478	1470
Ares-Serono B	2595	2560	2580	2560
Atel R	790	790	790	790
Baer Hdg B	2602	2545	2565	2585
Baloise Hdg R	2780	2725	2780	2696
BK Vision	1455	1435	1445	1445
Ciba Spec Chem	175	170	170.50	171.75
Clariant R	1268	1242	1242	1252
Crd Suisse Gp R	226	220	222.50	220.25
Elektrowatt B	545	535	535	527
Ems-Chemie	7730	7135	7730	7100
ESEC Hdg	3560	3475	3500	3410
Holderbank B	1155	1130	1134	1130
Liechtenst LB B	591	582	591	581
Nestle R	2177	2143	2147	2148
Novartis R	2393	2325	2328	2358
Oerlikon Buehr R	207.25	202	205.75	202.25
Pargesa Hld B	1855	1830	1840	1825
PharmVisn B	900	877	880	895
Richemont A	1569	1522	1569	1515
Pirelli PC	324	318	318	318
Roche Hdg PC	14300	14035	14095	14120
SBC R	450	443	444	448
Schindler PC	1590	1550	1560	1600
SGS B	2500	2440	2455	2450
SMH B	760	732	741	747
Sulzer R	956	925	931	948
Swiss Reins R	2855	2801	2823	2767
SAir Group R	2043	1977	1988	2015
UBS B	2094	2056	2059	2075
Winterthur R	1750	1730	1730	1700
Zurich Assur R	705	685	686	692

NYSE

Wednesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge

A-B-C

D-E-F

G-H-I

J-K-L

M-N-O

Continued on Page 18

Singapore To Get New Chip Plant

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Singapore To Get New Chip Plant

Lucent to Team Up With Local Company In $1 Billion Project

Compiled by Our Staff From Dispatches

SINGAPORE — The microelectronics division of Lucent Technologies Inc. and Chartered Semiconductor Manufacturing Ltd. of Singapore said Wednesday they would team up to build a $1 billion semiconductor wafer plant to make components for computing and communications equipment.

The companies predicted that their chip businesses would grow in 1998 despite the financial crisis in Asia.

"Our anticipation for 1998 is we will probably see about the same growth rate as 1997," John Dickson, president of Lucent's Microelectronics Group, said. He added that the chip industry grew about 7 percent last year. "Clearly there is a current setback in Asia. Our view of that is it's a temporary phenomenon."

Lucent's worldwide revenue reached $26.36 billion in the year that ended Sept. 30, up from $23.29 billion the previous year, and Mr. Dickson said the Asia-Pacific region had contributed about a third of sales and had grown more quickly than the company overall.

The two companies' plant would be the 10th such facility in Singapore. It is projected to employ about 800 people in the next two years. The plant, in Singapore's northern Woodlands suburb, is expected to produce 26,000 wafers a month.

The cost of wafer-fabrication plants is rising so rapidly that "even the major semiconductor companies need to partner with someone else," Mr. Dickson said. "It's the only way for companies to move forward."

The Singapore semiconductor plant will be the first for Lucent in the region. Lucent will own 51 percent of the joint-venture company, and Chartered, which is part of the government-owned Singapore Technologies group, will hold the rest.

Wafers from the plant will be used by Lucent's global customers in products such as computing equipment, cellular phones and other electronic devices. Chartered also is to use its portion of output to supply customers around the world.

Lucent's focus on chips for communications products saved it from the past year's falling prices and supply problems in the memory and storage chip areas, Mr. Dickson said.

Chartered expects business to perk up this year after a disappointing 1997, Tan Bock Seng, its chief executive, said. He said both revenue and profit in 1997 were down from 1996.

"But from the fourth quarter, things had started to turn for the better," Mr. Tan said. "In 1998, we expect everything to be significantly better than 1997." He added he was hopeful it could be better than 1996's performance as well.

Mr. Tan declined to disclose Chartered's revenue and profit figures. *(Bloomberg, Reuters)*

Q & A / **Jeffrey Sachs**

IMF Prescribes 'Wrong Medicine'

Senior officials of the International Monetary Fund are in Asia this week to try to strengthen IMF programs to help end the region's financial crisis. In Singapore on Wednesday, Jeffrey Sachs, director of the Harvard Institute for International Development, discussed the programs with Michael Richardson of the International Herald Tribune.

Q: Why are you critical of the multibillion-dollar loans-for-reforms packages that the IMF has put together for Thailand, Indonesia and South Korea since August?

A: I am not opposing the IMF as an institution per se. Nor am I opposing international assistance. But what we have seen is the IMF prescribing the wrong medicine.

The crisis in Asia began with a sudden and unanticipated panic withdrawal of funds from the region by international creditors and investors, starting in early July. Within two months, that had jeopardized the entire banking system of Asia.

The IMF made extremely grave mistakes in its early actions in Asia that inflamed the situation. When they came in, they closed down significant numbers of banks in each of the countries they were supposed to assist. The result has been a sharp banking crisis which is now leading to a downward spiral of economic production.

In Thailand, industrial production is down 8 percent from a year earlier. We are also seeing in countries where internal demand has collapsed that exports are failing to respond the way that one would expect after these currency depreciations because goods cannot leave the ports without credit.

The policy mistakes of the IMF are gravely worsening the situation in Asia. They are unnecessarily deepening the economic contraction, increasing unemployment and bankruptcies, and thereby tremendously raising the costs of overcoming the crisis.

Q: How are banking problems affecting output?

A: Banks are no longer fulfilling the basic functions of providing working capital to industry, and we are seeing bizarre and dangerous outcomes. There are enterprises that would be highly profitable but can't even open a letter of credit to get their exports moving.

In Indonesia, the shoe manufacturers, for example, have confirmed orders of around $1 billion for the next six months. Yet they have been unable to open a letter of credit because, since the end of December with the collapse of the Indonesian banking system and the downgrades by the credit rating agencies, the letters of credit of Indonesian banks have not been honored internationally.

So you have highly profitable export potential at these exchange rates that is not being fulfilled. The result is a ferocious decline of living standards and a ferocious jump in unemployment and social pain.

Q: Indonesia had more than 240 banks, so many it was impossible to regulate them properly. If the IMF did not reduce the number — 16 were closed — how else was the financial system to be cleaned up?

A: Of course the number of banks needed to be reduced. Some needed more capital, and some needed to be merged. But a banking sector restructuring should be done carefully. To come into a country and within three or four days order a significant number of banks to close without proper preparation, without looking at the alternatives of recapitalization, merger, conservatorship, receivership or other strategies, is a serious mistake.

In the case of Indonesia, there were no clear standards about what this meant for remaining banks or the safety of deposits. This led to panic.

Q: How much of the financial crisis was caused by the failures of Asian governments and systems?

A: I think it is a huge mistake to try to find the great cause of all of this in the failures of Asia, rather than in a largely unpredicted and unnecessary market panic.

Asia had problems. But it also had great strengths which led foreign banks and investors to put increasingly large amounts of money into the region. These were the same strengths that led the IMF and virtually every other observer to project continued high growth rates in these countries.

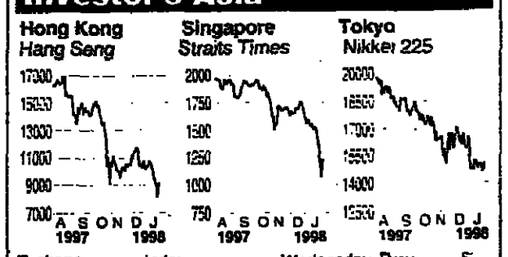
Jeffrey Sachs: Banks squeezed.

The way it is being interpreted right now is that you have evil governments with weak wills that are so corrupted that you need the full force of the world to come down on them to do the right thing. The right thing is defined as what is called for in secret agreements made by the IMF. The only test is whether there is full compliance with the IMF's conditions for extending loans.

But the situation is more complex and serious than this. There was a dramatic reversal of market expectations, a ferocious capital outflow and a market panic that expanded into the domestic banking sectors — all out of proportion to the weaknesses of these economies.

I reject the analysis that this is all the fault of Asia. We are living in a financial hurricane right now, and it must be addressed as such.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	9,226.55	8,720.00	+5.81
Singapore	Straits Times	1,243.27	1,156.52	+7.50
Sydney	All Ordinaries	2,605.30	2,565.30	+1.56
Tokyo	Nikkei 225	15,121.98	14,755.94	+2.48
Kuala Lumpur	Composite	536.68	503.89	+6.51
Bangkok	SET	367.69	348.96	+5.37
Seoul	Composite Index	475.13	463.74	+2.46
Taipei	Stock Market Index	7,798.25	7,513.24	+3.79
Manila	PSE	1,686.22	1,590.99	+5.99
Jakarta	Composite Index	403.98	382.14	+5.72
Wellington	NZSE-40	2,236.40	2,214.52	+0.99
Bombay	Sensitive Index	3,400.79	3,431.72	-0.90

Source: Telekurs — Int'l Herald Tribune

Very briefly:

• **Exxon Corp.** plans to invest $400 million in a petrochemical plant at its Sriracha oil refinery in eastern Thailand. The company said the plant, to be completed in 1999, would produce paraxylene, a petrochemical raw material used to make polyester film, packaging resin and fabric.

• **Dai-Ichi Kangyo Bank Ltd.**'s former vice president, Ichiro Fujita, pleaded innocent to charges of conspiracy involving loans to a corporate racketeer.

• **Japan and China** will hold their annual economic meeting in Tokyo on Monday to discuss their economic outlooks and the Asian financial crisis, Japan's Economic Planning Agency said.

• **China** is expected to announce soon the award of the first license to a British insurance company to conduct business in China, Britain's trade and industry minister, Margaret Beckett, said. Six British insurers are vying for the license, and Britain has endorsed the bid of **Royal & Sun Alliance PLC.**

• **Great Eagle Holdings Ltd.**, a Hong Kong real-estate company, said net profit rose 13 percent, to 1.19 billion Hong Kong dollars ($153.6 million), in the year ended in September.

• **LG Chemical Ltd.** of South Korea entered into a $30 million joint venture with **Shipley Co.** of the United States to produce specialty chemicals used in semiconductor production. *Bloomberg, AP, Reuters*

Summers Rejects Talk U.S. Is Unmoved by Crisis

Compiled by Our Staff From Dispatches

BANGKOK — Lawrence Summers, the deputy U.S. Treasury secretary, rejected claims Wednesday that the United States was indifferent to Asia's financial crisis, saying Washington had a major stake in the region and would ensure adequate financial support.

During a stop here on his tour of the region, Mr. Summers praised Thailand's progress in carrying out economic reforms demanded by the International Monetary Fund but stopped short of offering to add to the $17.2 billion IMF rescue package for the Thai economy

"For trade reasons, for reasons of financial stability and for reasons of national security, the U.S. has a very large stake in Asia's prosperity and stability," he said after meeting with Prime Minister Chuan Leekpai, his economic team and Foreign Minister Tarrin Nimmanahaeminda. "There is no question that this is a critical foreign-policy priority for the U.S."

Bangkok has come to regard the IMF aid package approved last July as too small, given the spread of Asia's economic catastrophe since then, and some of its terms as too stringent. But Mr. Summers stressed that the international lending organization should play the lead role in battling the economic crisis sweeping Asia.

"We are determined to work with the IMF to ensure adequately financed support" to stabilize the Thai economy, he said. Bangkok's stock market rallied strongly on Mr. Summers's comments, with its benchmark index jumping 5.37 percent amid foreign-led buying. The battered baht also took heart, with the dollar slipping Wednesday to 53.65 baht from 56.10 baht Tuesday.

Thaksina Khaikaew/The Associated Press

Mr. Summers, with Mr. Tarrin, restating U.S. support Wednesday.

Mr. Summers emphasized that Washington was not unaware of the gravity of Thailand's problems and would be discussing them with Mr. Tarrin when he visited Washington next week.

"The U.S. will remain active in encouraging Thailand's reform efforts under the IMF program," he said, adding that Washington was "very much looking forward" to Mr. Tarrin's trip. For his part, Mr. Tarrin said Mr. Summers's visit "showed strong U.S. interest in the region and in Thailand particularly in our efforts to solve our economic crisis."

He stressed that Thailand had stuck scrupulously to the conditions of its IMF package.

"That is the only course of action that we believe will achieve the restoration of market confidence," Mr. Tarrin said.

During a stop later Wednesday in Hong Kong, Mr. Summers said that the Chinese territory had the ability to defend its currency's peg to the U.S. dollar.

"Hong Kong authorities have demonstrated the capability, determination and skill necessary to carry out their declared policy," he said after meetings with Hong Kong's chief executive, Tung Chee-hwa, Financial Secretary Donald Tsang and the head of the Hong Kong Monetary Board, Joseph Yam. *(AFP, AP)*

■ Stocks and Currencies Gain

Stocks and currencies across Asia rallied amid growing optimism that the region's financial crisis was easing, Bloomberg News reported from Hong Kong.

Indonesia led the rally, with its benchmark index rising 5.72 percent as the dollar slipped to 7,250 Indonesian rupiah from 8,450 rupiah Tuesday.

The main stock indexes also rose 5.81 percent in Hong Kong, 7.50 percent in Singapore, 6.51 percent in Malaysia, 2.48 percent in Japan and 2.46 percent in South Korea.

"Asia's problems seem to be diminishing," said Pelham Smithers, a strategist at ING Baring Securities (Japan) in Tokyo.

Investors' confidence grew after Michel Camdessus, managing director of the IMF, called for a "dramatic acceleration" of economic reforms in Indonesia.

Mr. Camdessus is to meet with President Suharto on Thursday, when new agreements are to be signed as part of a $40 billion financial bailout being arranged by the IMF.

CHINA: *Economic 'Challenge'*

Continued from Page 13

dustries will only become clear in the coming months.

This week, several of China's national banks reported falling earnings. Industrial & Commercial Bank of China, for example, reported Wednesday that its profit in 1997 fell to $360 million in 1997 from roughly $700 million in 1996.

Characteristically, the bank did not explain whether the profits were before or after tax. But falling profits represent, at least in part, an effort to grapple with the bad debts owed by failing state-owned industry.

Bank of China also reported a weak profit, falling to $722 million in 1997 from $1.39 billion in 1996.

As for China's overall economy, Mr. Zhu made a healthy forecast of 8 percent growth in 1998. In contrast with its Asian neighbors, Mr. Zhu said, China has 85 percent of its foreign debt in medium- and long-term loans.

"China is politically stable," he said. "With its strong currency, ever-improving investment environment and lower import duties, China will become a center for overseas investment in Asia."

Isuzu Denies Plans For Venture With GM

Reuters

TOKYO — Isuzu Motors Ltd. on Wednesday denied a newspaper report that it had a plan with General Motors Corp. to form a joint venture to produce diesel engines in the United States. The Nihon Keizai Shimbun reported that Isuzu had agreed with GM to set up the venture, which would produce direct-injection diesel engines at a GM plant. "We have no such plans as yet," a spokesman said.

LEUNG: *Peregrine's 'Father of Red Chips' Could Soon Rise Again*

Continued from Page 13

companies to the stock market. He is held in high respect by Chinese companies, they say, because he has a reputation of being direct and honest. When those companies demanded a higher price for their stock than Mr. Leung thought was realistic, he was quick to set them straight.

"It isn't easy to find someone like him in the industry," said Zhou Fumin, Shanghai Industrial's managing director. "Whenever I have a question, I will look for his advice."

Mr. Leung's part of the business has been one of the most profitable of the group.

On Wednesday, as Peregrine dismissed all but about 100 of its 700 staff in Hong Kong, employees said there was concern that Mr. Leung and his entire China team might be hired by a rival bank, leaving Peregrine with little to sell. A Hong Kong newspaper reported this week that China Everbright Group was among the possible buyers.

Mr. Leung landed his first job at Wardley Finance in Hong Kong in 1980, after receiving a master's degree in business administration from Toronto University.

Next he moved to Citibank, which owned the Vickers stock brokerage. It was at Vickers that Mr. Leung developed a relationship with the British-born Mr. Tose.

They founded Peregrine in 1988. Mr. Leung was in charge of the firm's Greater China business, while Mr. Tose took care of the rest.

Former colleagues say that Mr. Tose's connections with Hong Kong tycoons such as the billionaire developer Li Ka-shing did not count for much when it came to building relationships with mainland companies.

Mr. Leung built Peregrine's most valuable franchise — underwriting Chinese stocks — from the ground up.

"I work very hard," Mr. Leung said last month.

"I am not a boss who sits in the office all the time," he said. "I travel to China all the time."

'It isn't easy to find someone like him in the industry. Whenever I have a question, I will look for his advice.'

Mr. Leung is a native speaker of Cantonese but speaks only so-so Mandarin, the language of Beijing. He said he did not have — or need — the sort of Chinese connections that many other Wall Street firms have sought from "princelings," or sons and daughters of senior Chinese officials.

Mr. Leung is a member of the Chinese People's Consultative Conference of Beijing, an expert advisory body appointed by the government.

But he plays down that sort of connection.

"We have the most China experience," Mr. Leung said.

"I don't hire princelings. Princelings are like a double-edged sword. Connections of that kind won't always work."

■ Samurai Bond Default

Peregrine Investments Holdings Ltd. will become the first company to default on Samurai bonds — yen-denominated bonds sold in Japan by foreign companies and governments — Bloomberg News reported from Tokyo.

Peregrine's default could shut out from the Japanese bond market some Asian governments and companies that already are reeling from a sharp rise in the cost of borrowing money abroad, some bankers and fund managers said.

Peregrine failed after betting it could profit by repackaging a $265 million stake in an Indonesian taxi company as bonds and selling them to U.S. and European investors. That stake — amounting to a third of Peregrine's shareholder finds — plunged in value as the region's currencies tumbled and forced the company to declare bankruptcy.

"Essentially it's a default situation," said Makoto Ikeya, senior analyst at the Japan Bond Research Institute.

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The Americas	2,959	+ 8.6	25
Other countries	2,523	+ 3.5	22
Total	11,822	+ 2.0	100

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Wednesday's 4 P.M.

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The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
A-B-C										
D-E-F										
G-H-I										
J-K-L										
M-N-O										
P-Q-R										
S-T-U										
V-W-X										
Y-Z										

NYSE

Wednesday's 4 P.M. Close

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
A-B-C										
D-E-F										
G-H-I										
J-K-L										
M-N-O										
P-Q-R										
S-T-U										
V-W-X										
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w Trans Europe Fund Fl Fl 182.27
w Trans Europe Fund $ $ 90.95
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295 CHILTON
836 CITIBANK (LUXEMBOURG) S.A.
838 CITIBANK GLOBAL ASSET MGT (ASIA) Ltd

d CIF (Cayman) Asia Eq $ 4.56
d CIF (Cayman) H.K. Eq $ 8.41
839 CITITRUST
m Citiperformance Pfd S.A. $ 23.031
217 COLBERT SECURITIES ASSET MNGT LTD
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w Lloyds Americas Portfolio $ 13.56
184 LOMBARD, ODIER & CIE - GROUP
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m Maverick Fund LDC $ 317.29
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114 MERRILL LYNCH EQUITY / CONVERTIBLE SERIES NAV as of 13/01/98
ASIAN TIGER OPPORTUNITIES PTFL
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178 US GLOBAL INVESTORS INC GUERNSEY
192 WILLERFUNDS MANAGEMENT CO.
208 WP STEWART FUND PLC
181 WP STEWART GLOBAL GROWTH
w WP Stewart Global Growth $ 147.712
179 WP STEWART HOLDINGS N.V.
d WPSH (ADAM SE) $ 948.35
191 WPS INVESTISSEMENTS S.A.
d WPS Global Technology Fund $ 169.85

999 Other Funds

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finnish Mark; FL - Dutch Florin; IDR - Indonesian Rupiah; Lit - Italian lira; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; ° - Paris exchange; ++ - Amsterdam exchange; e - unquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

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Herald Tribune
SPORTS

WORLD ROUNDUP

A Sweep by Russia

SKATING Alexei Yagudin led a Russian sweep of the top three places in the men's short program at the European figure skating championships on Wednesday.

Yagudin, 17, skated last and gave a superb display to Russian gypsy music that earned him top marks from all nine judges.

Alexander Abt, a 21-year-old late replacement for an injured compatriot, Ilya Kulik, grabbed second ahead of Evgeny Plushenko, 15, the world junior champion. The medals will be decided in Thursday's free program. *(Reuters)*

Portuguese GP Canceled

FORMULA ONE The Portuguese Grand Prix, set for Oct. 11, was dropped from the 1998 world championship calendar Wednesday. Motor racing's ruling body, FIA, said safety work would not be completed within a specified time limit. FIA did not say which country would replace Portugal on the schedule. South Africa and China are the candidates.

The Belgian Grand Prix, which will take place only if there are guarantees that the country's tobacco advertising ban will not apply to the race, remains in doubt. FIA extended its deadline for a decision until Feb. 15. *(Reuters)*

Australians Beat Kiwis

CRICKET Australia thrashed New Zealand by 131 runs in Sydney on Wednesday to clinch a place in the World Series Cup final. Australia made 250 all out before routing New Zealand for 119.

• Sachin Tendulkar lashed 95 from 87 balls Wednesday to give India to an eight-wicket win over Pakistan in the first match of the best-of-three Independence Cup final in Dhaka, Bangladesh. Pakistan batted first and reached 212 for eight wickets in its 46 overs. India reached 213 for two in 37.1 overs.

• In Colombo, Zimbabwe reached 251 for 9 wickets on the first day of the second test against Sri Lanka. *(Reuters, AP)*

Court Ban for Venables

SOCCER Terry Venables, the former England manager who now coaches Australia's national team, was banned Wednesday from holding company directorships in Britain for seven years.

Venables admitted to or did not contest 19 specific allegations of serious misconduct made against him by the Department of Trade and Industry. The case arose from his alleged mismanagement at Tottenham Hotspur soccer club, Scribes West, a London nightclub partly owned by Venables, and another company, Edenote. *(Reuters)*

Elway's Dilemma

FOOTBALL John Elway, the quarterback for the Super Bowl bound Denver Broncos, is trying to become less superstitious.

"I had so many superstitions they became a pain," he said. "I would wear socks on the same feet."

Asked how he knew which sock belonged on which foot, he said: "That's where it really gets hard." *(LAT)*

4 Chinese Swimmers Fail Tests for Doping

Quartet Suspended From Championships

Compiled by Our Staff From Dispatches

PERTH, Australia — China's reputation in world swimming lay in tatters Wednesday after FINA, the sport's governing body, announced that four Chinese swimmers had tested positive for triamterene, a diuretic, and have been suspended from the championships pending results of their B tests.

The samples were collected Jan. 8 while the team was preparing for the world championships.

The results were announced at the same time as bans of four years for swimmer Yuan Yuan and 15 years for coach Zhou Zhewen. The two were caught with human growth hormone in their luggage by customs officers at Sydney airport last week. Zhewen said he had packed the substances to bring to a friend in Australia.

The diuretics quartet comprises three 17-year-old women, Wang Luna, Cai Huijue and Zhang Yi, and one 18-year-old man, Wang Wei. Two have already swum at these championships and neither managed to make a final.

Deryk Snelling, the British team's performance director, said the tests pointed to systematic drug abuse by China.

"You can get isolated incidents with any country at any time," said Snelling. "But this is not an isolated incident — it is systematic abuse. I am not a chemist, but China must be faced with a suspension after this."

The samples were collected the morning after drug testers were refused access to China's swimmers because they lacked the suitable accreditation.

"On the night of the 7th people showed up to test the Chinese and they did not submit to testing because they did not believe it was a FINA sanctioned test," said Jon Urbanchek, a U.S. coach. "The next day FINA turned up in their jackets with their official badges and did the testing. During the night they've obviously given these to the kids as a masking agent.

"I almost feel sorry for these Chinese kids. They want a life, they want to get out. They realize the communist system doesn't work and the kids are risking everything to get a way out."

Diuretics are sometimes used by athletes to reduce weight quickly. They are also used to reduce the concentration of drugs in urine in an attempt to flush drugs from the system.

Wang Luna was ranked No. 2 in the world for the 200-meter freestyle but missed the final. She raced Wednesday in the 400-meter heats but missed the final despite a world No. 4 ranking.

Cai Huijue is ranked No. 5 in the 100-meter butterfly and Zhang Yi is No. 4 in the 100-meter breaststroke and No. 3 in the 200-meter breaststroke.

Chinese officials said on arrival that the team was clean of drugs.

"It tells you what bloody liars they are," said Don Talbot, the Australian coach.

He said China should be kicked out of the championships.

"They should not compete anymore at this meet. The medals should be returned or taken back," Talbot said.

Novo Nordisk, a Danish pharmaceutical group, said it produced the human growth hormone found at Sydney airport. Anders Rosbo, a company spokesman, said that it sold Norditropin to a Chinese state-owned import company and that it was intended for hospitals in China.

The substance "should only be given to children with hormone deficiencies," Rosbo said.

FINA also announced a four-year ban on Olena Lapunova, a Ukrainian swimmer, for testing positive to a metabolite on Nov. 15 last year. She was given a conditional approval to return on probation in six months.

Scott Miller, an Australian, was suspended for two months for testing positive to marijuana on Sept. 22 last year. *(AP, Reuters)*

David Guttenfelder

Starting a 100-meter backstroke heat, from top: Ellie Overton of Australia, Fabiola Molina of Brazil, Roxanna Maracineanu of France, Mai Nakamura of Japan, Sandra Voelker of Germany and Yulia Fomenko of Russia.

TV Accord A Gold Mine For NFL Franchises

Washington Post Service

The National Football League's eight-year, $17.6 billion U.S. television deal will earn each franchise $80 million a year.

ABC and ESPN, the cable sports broadcaster, both owned by Walt Disney Co., will pay the NFL a combined $1.15 billion a year — a total of $9.2 billion over the course of the contract — for the broadcast rights to Monday Night Football and one Sunday night game every week.

ABC will also get three Super Bowls — the first in 2000 — and the annual Pro Bowl game for $550 million a year.

Madison Avenue doubts networks will recoup investment. Page 13.

ESPN will pay $600 million a year for a package of 18 regular-season games a year and exclusive coverage of the NFL draft of college players.

Combined with record prices paid by the Fox network for the National Football Conference package ($4.4 billion over eight years) and by CBS for the American Football Conference package ($4 billion), the NFL essentially will double the amount of money it earned yearly from the four-year, $4.4 billion deal that expires after this season.

The league also has the right in all new contracts to reopen the deals after five years, increasing the dollar value for the final three years before the agreement runs out following the 2005 season.

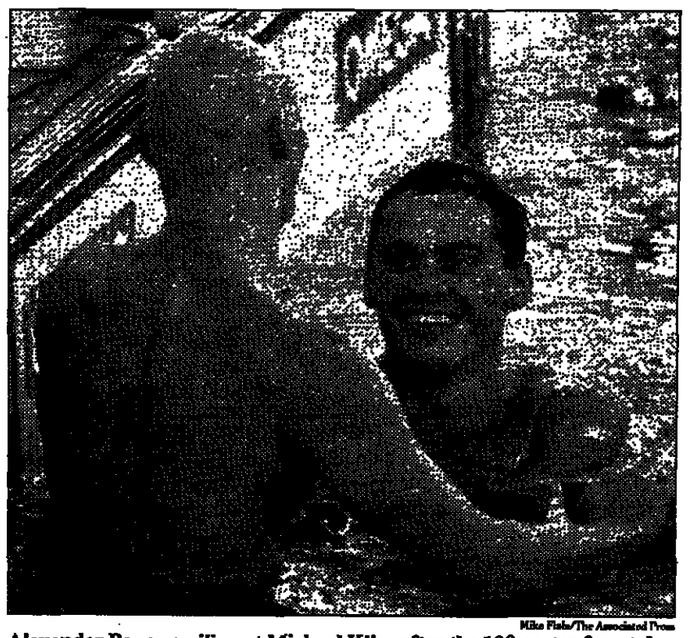
The major beneficiaries of the television windfall will be club owners and players. Under the terms of the NFL's last contract, teams each earned about $40 million a year. That total will now double to about $80 million a year, easily the richest contract in the history of sports.

Under terms of the NFL's collective-bargaining agreement with the NFL Players Association, each of the 30 teams was allotted a $41.5 million player payroll ceiling — or salary cap — in 1997.

A league spokesman said Tuesday that it was too early to determine what the cap would be in 1998. But owners were to meet Wednesday in Los Angeles to discuss the issue and establish the cap. Some forecasts have indicated that it could go up by about $10 million this season, meaning that many teams will have more money to acquire players.

The television deal also will have a significant impact on increasing the market value of every NFL franchise.

Popov Holds Off Rivals to Keep Freestyle Gold



Mike Fiala/The Associated Press

Alexander Popov smiling at Michael Klim after the 100-meter freestyle.

The Associated Press

PERTH, Australia — Alex Popov of Russia beat his Australian training mate Michael Klim on Wednesday to win the 100-meter freestyle gold at the world swimming championships here.

Popov, a four-time Olympic gold medalist, took the lead from the start, made the turn first and was never seriously threatened by Klim. Both are coached by Gennadi Touretski of Russia and train together at the Australian Institute of Sport in Canberra.

Popov is attempting to become the first man to win a 50- and 100-meter double at successive world titles. He achieved the Olympic double for the second consecutive time at Atlanta. The 50-meter race will be held Saturday.

"I'm exhausted but not ecstatic," Popov said. "It was a usual victory, nothing spectacular."

Popov finished in 48.93 seconds while Klim, who won the 200-meter freestyle and was a member of the winning 4-x-200-meter relay team, was second in 49.20. Lars Frolander of Sweden was third in 49.53.

Popov, 26, joins Matt Biondi of the United States as the only swimmer to successfully defend a men's world 100-meter freestyle title in the 25-year history of the championships.

"He's a true champion. It's his event and he really deserves it," Klim said. "I might have to wait for the next generation."

The Russian appears to be back at his best after being seriously injured in a Moscow knife attack shortly after the Atlanta Games. He is holder of the world record of 48.21 seconds set in June 1994 at Monte Carlo.

Chen Yan of China won her second gold medal of the meet when she claimed the women's 400-meter freestyle. Lea Maurer of the United States won gold in the women's 100-meter backstroke.

In other finals Wednesday, Denys Sylantyev of the Ukraine won the men's 200-meter butterfly ahead of Franck Esposito of France and the American Tom Malchow. The United States won the women's 400-meter freestyle relay ahead of Germany and Australia.

Chen clocked 4 minutes, 06.72 seconds in the 400 while Brooke Bennett of the United States, who led through 300 meters, was second in 4:07.07. Dagmar Hase of Germany was third in 4:08.82.

Chen gave China its only other pool gold so far when she took out the 400-meter individual medley event on Monday.

Boxing Guru To 21 World Champions Takes Count

The Associated Press

NEW YORK — Eddie Futch was a teacher who expected his students to pay attention, even if they were champions of the world.

One day in a gym when Marlon Starling, a former WBA-WBC champion, wasn't listening, Futch told him, "Marlon, a lot of good fighters have listened."

Futch retired this week. He trained a lot of top fighters in 66 years in boxing, including 21 world champions, and he trained a lot of good trainers.

"He's a great guy and an honest guy," said Joe Frazier, one of six heavyweight champions Futch worked with. The other five heavyweight champions he trained were Larry Holmes, Ken Norton, Trevor Berbick, Michael Spinks and Riddick Bowe.

"I wasn't feeling good," Futch, 86, said Tuesday from his home in Las Vegas. "I just couldn't get things going. Physically, I'm fine, but I'm just not with it any more."

The last fighter Futch trained was Brandon Mitchum, a 20-year-old junior middleweight.

"I told Brandon if the time comes when you need advice, just call me," Futch said.

Frazier, who turned 54 on Monday, said of Futch: "I want that bottle he has, the one that made him live so long and made him contribute."

Futch started to train Frazier in 1966. In 1975, he stopped Frazier's challenge against Muhammad Ali after 14 rounds in Manila, although Futch thought Frazier was ahead at the time. Officially, Ali had the fight clinched when it was stopped.

Frazier's eyes were swollen and he was virtually blind when Futch halted the bout. "There isn't enough money in the world to let him get hurt," he said.

The first champion Futch trained was Don Jordan, who held the welterweight title from 1958 to 1960. The last was Wayne McCullough, who lost the WBC super bantamweight title last year.

Davenport Stays Course As Seeds Crash in Sydney

The Associated Press

SYDNEY — After five rain delays, five and a half hours, a couple of crossword puzzles and too much tedious tennis, Lindsay Davenport finally beat Anna Kournikova at the Sydney International on Wednesday.

"You can't get into a rhythm," said Davenport, the No. 2 seed, after her 6-2, 6-7 (7-4), 6-3 victory. "One time we came back, it was dead still. The next time it was incredibly windy."

The conditions wore down Kournikova, 16, which might explain why she thought the match lasted even longer than it did.

"It's the first match I ever played seven and a half hours," she said. "She definitely has more experience with matches like this, with seven or eight rain delays. I think I got tired waiting around so long."

Three more seeded women tumbled out in the second round — leaving only Davenport, No. 2, and Arantxa Sanchez Vicario, No. 5. Natasha Zvereva beat Amanda Coetzer, seeded No. 3, 6-7 (7-5), 6-3, 7-5; Ai Sugiyama upset Conchita Martinez, No. 6, 7-6 (7-0), 6-3, and Serena Williams reached the quarterfinals when Sandrine Testud, seeded No. 7, retired because of tendinitis in her left knee while trailing 7-6 (7-5), 3-0.

In the men's matches, Michael Tebbutt ended the sizzling run of his 16-year-old Australian compatriot, Lleyton Hewitt, 5-7, 6-3, 7-5.

Hewitt, who won the Australian Men's Hardcourt Championships in Adelaide last week, served for the match with a 5-3 lead. Hewitt said he'll play both the juniors and seniors at the Australian Open, and try to make the transition to the senior tour this year.

• It was also windy in Melbourne where Pete Sampras lost to Gustavo Kuerten in the Colonial Classic, 3-6, 6-3, 6-4. Andrei Agassi beat Thomas Muster, 6-4, 6-0, in a clash of two former world number ones.

Kuerten, the French Open champion, adapted to the wind and followed up some fine serving with excellent volleys. Sampras led by one set and 3-1 but began to make errors against Kuerten's constant pressure at the net.

Carlo Gottgens/The Associated Press

Lindsay Davenport returning during her defeat of Anna Kournikova.

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هكذا من الأصل

SPORTS

Sonics Not So Super Next to Jordan & Co.

Pippen and Rodman Aid in Bulls' Victory

The Associated Press

Michael Jordan scored 40 points and the champion Chicago Bulls brushed aside the Seattle SuperSonics, 101-91.

Scottie Pippen, playing his second game after missing the first 2½ months

NBA ROUNDUP

of the season while recovering from foot surgery, had 11 points and 6 rebounds for the host Bulls (26-11).

Seattle (29-8) still has the best record in the league despite its first two-game losing streak of the season.

"With a team like that, it's hard to make statements," Jordan said after the game Tuesday night. "But we feel that if we had our team intact all season long we would have the best record."

Dennis Rodman had 17 rebounds for the Bulls, who won their 15th consecutive home game and are 14-2 over the last month.

Chicago led, 56-46, at halftime. Jordan then scored the Bulls' first five points of the second half, and Seattle never got within 10 points the rest of the way.

"The best record doesn't mean anything right now," said the Bulls' Ron Harper. "It's not like we want to get something that they have. They want something that we have — those five big championships. They want those rings."

Gary Payton scored 22 points and Vin Baker had 21 for Seattle.

"Yes, everyone saw this as a big game, but we just have to move on," Baker said. "I wouldn't be surprised if this comes out to be the finals. We're playing the best in the West, and they are in the East."

Magic 98, Nuggets 84 While the Bulls were demonstrating they are the best team in the NBA, the Denver Nuggets were showing that they are still the worst.

The Nuggets lost their 17th straight game and dropped to 2-32 overall. Denver as not won since Nov. 28. A Denver forward, LaPhonso Ellis, said: "We just have to tighten up our defense and make the proper adjustments during the game."

Horace Grant had 20 points and 11 rebounds for Orlando. Gerald Wilkins, who scored only two points in the first three quarters, had nine in the fourth to keep the Magic ahead.

Heat 76, Trail Blazers 68 Portland was held to its lowest point total ever and lost its fifth straight game.

The Trail Blazers made a franchise-low 22 field goals, just three more than the NBA record. Portland broke the team mark of 69 points set Jan. 2 in a loss at San Antonio.

Jamal Mashburn scored 18 points for visiting Miami, which won despite shooting 2-for-19 in the fourth quarter.

76ers 107, Grizzlies 89 Tim Thomas scored a season-high 23 points as Philadelphia sent Vancouver to its 11th straight loss. The 18-point victory was the 76ers' largest in their two seasons at the CoreStates Center. Shareef Abdur-Rahim had 23 points for the Grizzlies.

Cavaliers 102, Suns 84 Derek Anderson scored six points in a 63-second span of the fourth quarter as Cleveland romped at Phoenix.

Zydrunas Ilgauskas had 23 points and 16 rebounds as the Cavaliers stopped a three-game losing streak. Cleveland led, 86-79, before Anderson's late burst.

Jeff Topping/Reuters

The Cavaliers' Derek Anderson, left, and the Suns' Cedric Ceballos battling for a loose ball in the first period.

Hawks 91, Knicks 89 Steve Smith backed up his boast, scoring 35 points and hitting a running 10-footer with 2.6 seconds left that lifted Atlanta at Madison Square Garden. After New York won by 21 points at Atlanta in November, Smith promised the result in the rematch would be different. Smith shot 14-for-22, taking almost nothing but jumpers as the Hawks won their fourth in a row. John Starks made six 3-pointers and scored 34 points for the Knicks.

Spurs 97, Celtics 88 David Robinson had 36 points and 11 rebounds as visiting San Antonio won for the 14th time in 16 games.

Boston matched its longest losing streak of the season at five. The Celtics have not led in any of their last four games.

Nets 81, Hornets 68 Kendall Gill scored 15 of his 19 points in a key second-quarter stretch and New Jersey won at Charlotte. Jayson Williams and Sherman Douglas led the Nets with 23 points each. Glen Rice, the Hornets' top scorer, was held to 10 points on 3-for-17 shooting.

Rockets 100, Mavericks 87 In Houston, Kevin Willis had 30 points and the Rockets ended a three-game losing streak. Dallas has lost 18 of its last 19 games, its only victory in that stretch coming against Denver. Houston trailed, 41-37, at halftime and didn't regain the lead until Willis led a 20-9 third-quarter run.

Bounces Go Capitals' Way In a Shutout

The Associated Press

WASHINGTON — Goalie Olaf Kolzig of the Washington Capitals gained his 20th victory of the season — six more than he had in his entire National Hockey League career before this season — as he shut out the Ottawa Senators, 4-0.

In addition to Kolzig, the Capitals needed a few lucky bounces in Tuesday night's only game.

Andrew Brunette scored twice to make it eight goals in eight games since he was recalled from Portland.

The first one fluttered in off his hip, and the second was a gift rebound after a shot went off the post.

"I guess I was lucky," he said, "but I'll take them any way I can."

Brunette had only seven career goals in spot call-ups over two seasons before he arrived for his latest NHL stint last month.

The Senators had outscored the Capitals by a combined 23-4 over their previous half-dozen games, with Ron Tugnutt's goals-against average at 0.67 over the stretch.

This time, Tugnutt was replaced early in the second period after giving up his third goal in 14 shots — one was the shot off Brunette's hip, and another was banked in by Steve Konowalchuk off a Senator's skate.

"Two of those shots weren't even on net," Tugnutt said. "One of those nights, I guess. Really, I had no breaks at all."

Peter Bondra scored his 28th goal of the season and Konowalchuk netted his fourth for the Capitals, who have won three of their last four games.

Adam Oates got his 36th assist for the Capitals.

SCOREBOARD

BASKETBALL

MAJOR COLLEGE SCORES

Kentucky 91, South Carolina 70
Purdue 68, Illinois 58
Connecticut 80, Seton Hall 59
Providence 76, Syracuse 64
Clemson 86, Florida State 65
Rhode Island 84, La Salle 73
N.C. Charlotte 66, Marquette 53

THE AP TOP 25

Top 25 teams in Associated Press' men's basketball poll, with first-place votes in parentheses, records through Jan. 11, total points based on 25 points for first-place vote through one point for 25th-place vote, and previous ranking:

	Record	Pts	Pvs
1. North Carolina (68)	17-0	1,768	1
2. Duke (2)	14-1	1,676	2
3. Kansas	19-2	1,527	4
4. Utah	13-0	1,512	3
5. Arizona	13-3	1,431	5
6. Kentucky	14-2	1,401	6
7. Stanford	14-0	1,394	7
8. UCLA	12-2	1,185	10
9. Purdue	14-3	1,152	9
10. Connecticut	14-2	1,074	8
11. Mississippi	12-1	1,066	14
12. Princeton	13-1	899	15
13. Iowa	13-2	812	11
14. South Carolina	10-2	747	16
15. New Mexico	11-2	718	12
16. Syracuse	14-1	718	18
17. Florida St.	12-4	573	13
18. Xavier	10-3	541	19
19. Michigan	13-4	472	17
20. Rhode Island	10-2	431	23
21. West Virginia	14-2	423	25
22. Arkansas	13-3	411	22
23. Marquette	10-2	133	20
24. Hawaii	11-2	115	21
25. Oklahoma St.	12-1	101	—

Others receiving votes: Miami 95, Cincinnati 79, Maryland 52, Clemson 46, Illinois 29, Ball St. 27, Colorado St. 26, Georgia Tech 23, Texas Christian 19, Wyoming 13, Tennessee 12, Indiana 11, George Washington 10, Michigan St. 7, Vanderbilt 7, Mississippi St. 6, Southern Miss. 5, Temple 5, Massachusetts 4, Washington 4, Illinois St. 3, L-Chicago 2, Oklahoma 2, Ala.-Birmingham 1, Arizona St. 1, Gonzaga 1.

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	24	11	.686	—
New Jersey	20	16	.556	4½
New York	20	16	.556	4½
Orlando	20	17	.541	5
Washington	19	19	.500	6½
Boston	16	19	.457	8
Philadelphia	10	23	.303	13

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	26	11	.703	—
Indiana	23	11	.676	1½
Atlanta	23	12	.657	2
Charlotte	22	14	.611	3½
Cleveland	21	14	.600	4
Detroit	17	18	.486	8
Milwaukee	17	19	.472	8½
Toronto	5	31	.139	20½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	24	11	.686	—
San Antonio	24	12	.667	½
Houston	18	15	.545	5
Minnesota	19	16	.543	5
Vancouver	10	28	.263	15½
Dallas	6	30	.167	18½
Denver	2	32	.059	21½

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	29	8	.784	—
L.A. Lakers	27	9	.750	1½
Phoenix	22	12	.647	5½
Portland	19	16	.543	9
Sacramento	16	21	.432	13
L.A. Clippers	9	28	.243	20
Golden State	7	26	.212	20

TUESDAY RESULTS

San Antonio	28	21	26	22—	97
Boston	15	23	28	22—	88

S.A.: Robinson 13-19 10-16 36. Johnson 11-15 0-0 22; B: Billups 5-14 13-15 26. Walker 5-19 6-6 17. Rebounds—San Antonio 54 (Robinson 11), Boston 49 (Walker 14). Assists—San Antonio 24 (Johnson 11), Boston 9 (Billups, Barros 4).

Atlanta	14	21	32	24—	91
New York	12	26	21	30—	89

A: Smith 14-22 6-6 35. Recasner 6-15 8-8 21; N.Y.: Starks 11-16 6-8 34. Johnson 5-12 5-6 15. Rebounds—Atlanta 50 (Henderson 10), New York 44 (Johnson 12). Assists—Atlanta 13 (Recasner 4), New York 22 (Childs 10).

Vancouver	31	23	13	22—	89
Philadelphia	27	32	23	25—	107

V: Abdur-Rahim 9-21 5-7 23. Reeves 9-12 3-5 21; P: Thomas 8-14 6-7 23. Ratliff 8-9 2-4 18. Rebounds—Vancouver 50 (Thorpe, Reeves 10), Philadelphia 58 (Coleman, Weatherspoon 10). Assists—Vancouver 23 (Daniels 6), Philadelphia 30 (Iverson 10).

New Jersey	25	28	15	13—	81
Charlotte	23	14	13	18—	68

N.J.: J.Williams 9-12 5-6 23. Douglas 8-16 6-7 23; C: Mason 5-10 5-7 15. T.Williams 5-8 1-5 11. Rebounds—New Jersey 43 (J.Williams 14), Charlotte 51 (Mason 11). Assists—New Jersey 19 (Douglas 11), Charlotte 19 (Wesley 4).

Seattle	30	16	21	24—	91
Chicago	29	27	26	19—	101

S: Payton 7-17 7-8 22. Baker 9-16 3-12 21; C: Jordan 12-27 16-18 40. Pippen 3-15 5-6 11. Rebounds—Seattle 47 (Baker 7), Chicago 63 (Rodman 17). Assists—Seattle 13 (Payton 9), Chicago 26 (Rodman 6).

Dallas	29	21	23	23—	97
Houston	22	15	32	31—	100

D: Walker 10-20 6-9 26. Finley 7-16 2-3 16; H: Willis 13-20 4-4 30. Bullard 5-9 0-0 15. Rebounds—Dallas 50 (Walker 13), Houston 54 (Barkley 12). Assists—Dallas 14 (Finley, Scott 5), Houston 25 (Price 9).

Orlando	25	25	22	26—	98
Denver	26	17	24	17—	84

O: Grant 9-15 2-2 20. Price 5-8 2-2 15; D: L.Ellis 6-10 4-4 16. Garrett 6-12 3-4 15. Rebounds—Orlando 39 (Grant 11), Denver 31 (L.Ellis 5). Assists—Orlando 27 (Armstrong 9), Denver 27 (Jackson 10).

Cleveland	27	22	28	25—	102
Phoenix	18	28	19	19—	84

C: Ilgauskas 10-14 3-3 23. Henderson 6-10 5-5 17. Person 7-12 2-2 17; P: Chapman 7-16 5-6 22. Nash 6-12 1-1 15. Rebounds—Cleveland 58 (Ilgauskas 16), Phoenix 43 (Kidd 10). Assists—Cleveland 22 (Knight 8), Phoenix 17 (Kidd 6).

Miami	23	22	28	11—	76
Portland	22	16	17	13—	68

M: Mashburn 6-18 5-8 18. Hardaway 5-13 4-6 15; P: Wallace 7-16 3-5 17. Sabonis 3-4 8-10 14. Rider 6-17 1-2 14. Rebounds—Miami 47 (Mourning, Hardaway, Mills 6), Portland 63 (Trent 10). Assists—Miami 15 (Hardaway 6), Portland 13 (Anderson 5).

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	28	14	3	59	133	93
Philadelphia	25	11	8	58	134	97
Washington	22	17	8	52	132	122
N.Y. Rangers	15	19	12	42	117	125
Florida	15	22	10	40	118	134
N.Y. Islanders	15	25	6	36	113	133
Tampa Bay	9	28	8	26	81	141

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Montreal	25	16	6	56	142	112
Pittsburgh	24	14	8	56	129	105
Boston	20	16	9	49	112	107
Ottawa	19	21	7	45	111	115
Carolina	17	24	6	40	117	133
Buffalo	15	20	8	38	101	114

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	29	11	8	66	147	98
Detroit	27	11	10	64	154	111
St. Louis	26	16	6	58	142	117
Phoenix	20	18	8	48	128	123
Chicago	17	19	9	43	105	104
Toronto	14	23	7	35	105	132

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	23	9	15	61	142	114
Los Angeles	18	19	8	44	125	127
Edmonton	15	22	9	39	111	134
Anaheim	15	24	8	38	109	141
San Jose	16	23	5	37	105	122
Calgary	12	25	10	34	117	142
Vancouver	12	26	8	32	124	159

TUESDAY RESULT

Ottawa	0	0	0—0
Washington	2	2	0—4

1st Period: W-Brunette 7 (Gonchar, Kryglen) 2. W-Bondra 28 (Oates) 2d Period: W-Konowalchuk 4 (Bolla, Zednik) 4. W-Brunette 8 (Kryglen, Johansson) (pp). 3d Period: None. Shots on goal: O- 8-9-7—24. W- 12-6-7—25. Goalies: O-Tugnutt, Rhodes. W-Kolzig.

SOCCER

SPANISH CUP

FOURTH ROUND, FIRST LEG

Alaves 1, Real Madrid 0

ENGLISH F.A. CUP

THIRD ROUND

Bournemouth 0, Huddersfield 1
Cheltenham 1, Reading 1
Hereford 0, Tranmere 3
Peterborough 0, Walsall 2
West Brom 3, Stoke 1

THIRD ROUND REPLAYS

Bury 1, Sheffield United 2
Ipswich 1, Bristol Rovers 0
Middlesbrough 2, Queens Park Rangers 0
Wrexham 2, Wimbledon 3 Scotland

CRICKET

INDEPENDENCE CUP FINAL

INDIA VS. PAKISTAN

WEDNESDAY IN DHAKA

Pakistan: 212 for eight in 46 overs
India: 213-2 in 37.1 overs.

India won by eight wickets first of three-game final.

WORLD SERIES

AUSTRALIA VS. NEW ZEALAND

WEDNESDAY IN SYDNEY

Australia: 250 all out in 47.5 overs
New Zealand: 119 all out in 33.1 overs.

Australia won by 131 runs and clinched place in final.

SRI LANKA VS. ZIMBABWE

FIRST DAY, SECOND AND FINAL TEST

WEDNESDAY IN COLOMBO

Zimbabwe: 251 for nine

GOLF

WORLD RANKING

1. Tiger Woods, U.S., 11.00 points
2. Greg Norman, Australia, 10.74
3. Ernie Els, South Africa, 10.07
4. Nick Price, Zimbabwe, 9.91
5. Phil Mickelson, U.S., 9.69
6. Davis Love 3d, U.S., 9.44
7. Colin Montgomerie, Scotland, 9.33
8. Jumbo Ozaki, Japan, 8.05
9. Mark O'Meara, U.S., 8.00
10. Tom Lehman, U.S., 7.85
11. David Duval, U.S., 7.06
12. Justin Leonard, U.S., 7.03
13. Steve Elkington, Australia, 6.76
14. Brad Faxon, U.S., 6.60
15. Vijay Singh, Fiji, 6.51

SWIMMING

WORLD CHAMPIONSHIP

WEDNESDAY IN PERTH, AUSTRALIA

MEN'S FINALS

100 FREESTYLE

1. Alexander Popov, Russia, 48.93 seconds. 2. Michael Klim, Australia, 49.20. 3. Lars Frolander, Sweden, 49.53. 4. Pieter Van Den Hoogenband, Netherlands, 49.59. 5. Gustavo Borges, Brazil, 49.62. 6. Attila Zubor, Hungary, 49.82. 7. Chris Fydler, Australia, 49.95. 8. Scott Tucker, U.S., 50.26.

200 BUTTERFLY

1. Denys Sylantyev, Ukraine, 1:56.61. 2. Franck Esposito, France, 1:56.77. 3. Tom Malchow, U.S., 1:57.26. 4. Takashi Yamamoto, Japan, 1:57.50. 5. James Hickman, Britain, 1:58.76. 6. Stephen Parry, Britain, 1:59.57. 7. Han Kyu Chul, South Korea, 2:00.26. Scott Goodman, Australia, disqualified.

WOMEN'S FINALS

100 BACKSTROKE

1. Lea Maurer, U.S., 1:01.16. 2. Mai Nakamura, Japan, 1:01.28. 3. Sandra Voelker, Germany, 1:01.47. 4. Antje Buschschulte, Germany, 1:01.81. 5. Beth Botsford, U.S., 1:02.31. 6. Roxanna Maracineanu, France, 1:02.40. 7. Noriko Inada, Japan, 1:02.58. 8. He Cihong, China, 1:02.69.

400 FREESTYLE

1. Chen Yan, China, 4:06.72. 2. Brooke Bennett, U.S., 4:07.07. 3. Dagmar Hase, Germany, 4:08.82. 4. Kirsten Vlieghuis, Netherlands, 4:09.14. 5. Julia Greville, Australia, 4:11.59. 6. Diana Munz, U.S., 4:11.70. 7. Jana Henke, Germany, 4:11.92. 8. Claudia Poll, Costa Rica, 4:12.08.

400 FREESTYLE RELAY

1. U.S. (Lindsey Farella, Amy Van Dyken, B.J. Bedford, Jenny Thompson), 3:42.11. 2. Germany (Sandra Voelker, Franziska Van Almsick, Simone Osygus, Katrin Meissner), 3:43.11. 3. Australia (Sarah Ryan, Rebecca Creedy, Susie O'Neill, Angie Kennedy), 3:43.71. 4. Sweden, 3:44.28. 5. Netherlands, 3:44.64. 6. Canada, 3:44.90. 7. Britain, 3:45.30. 8. China, 3:47.39.

SYNCHRONIZED SWIMMING DUET

1. Olga Brousnikina and Olga Sedakova, Russia, 99.073 points. 2. Miya Tachibana and Miho Takeda, Japan, 98.060. 3. Virginie Dedieu and Myriam Lignot, France, 97.323. 4. Carrie Barton and Alicia Marshall, U.S., 96.237. 5. Kasia Kulesza and Jacinthe Taillon, Canada, 95.899. 6. Li Min and Long Yun, China, 94.667. 7. Lillian Leal and Erika Leal, Mexico, 94.224. 8. Gisela Bollan and Serena Bianchi, Italy, 94.039. 9. Yoo Na-Mi and Jang Yoon-Kyeong, South Korea, 93.087. 10. Rahel Hobi and Madeleine Perk, Switzerland, 91.573. 11. Gemma Mengual and Irina Rodriguez, Spain, 91.170. 12. Iris Santrop and Bianca Van Der Velden, Netherlands, 89.940.

TENNIS

AUSTRALIAN OPEN

MELBOURNE, FROM JAN. 19

MEN'S SEEDS

1. Pete Sampras, U.S.
2. Patrick Rafter, Australia
3. Michael Chang, U.S.
4. Jonas Bjorkman, Sweden
5. Greg Rusedski, Britain
6. Petr Korda, Czech Republic
7. Carlos Moya, Spain
8. Thomas Muster, Austria
9. Marcelo Rios, Chile
10. Sergi Bruguera, Spain
11. Alex Corretja, Spain
12. Gustavo Kuerten, Brazil
13. Goran Ivanisevic, Croatia
14. Felix Mantilla, Spain
15. Mark Philippoussis, Australia
16. Albert Costa, Spain

WOMEN'S SEEDS

1. Martina Hingis, Switzerland
2. Lindsay Davenport, U.S.
3. Amanda Coetzer, South Africa
4. Iva Majoli, Croatia
5. Mary Pierce, France
6. Irina Spirlea, Romania
7. Arantxa Sanchez Vicario, Spain
8. Conchita Martinez, Spain
9. Sandrine Testud, France
10. Anke Huber, Germany
11. Brenda Schultz-McCarthy, Netherlands
12. Sabine Appelmans, Belgium
13. Lisa Raymond, U.S.
14. Dominique Van Roost, Belgium
15. Ruxandra Dragomir, Romania
16. Ai Sugiyama, Japan

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Named Carlos Bernhardt coach.

NEW YORK—Agreed to terms with RHP Jeff Nelson on 3-year contract.

TAMPA BAY—Signed Chuck LaMar, senior vice president for baseball operations, to a five-year contract, through 2002.

NATIONAL LEAGUE

ATLANTA—Invited LHP Adam Butler, LHP Glenn Dishman, LHP Odalis Perez, RHP Rudy Seanez, C Marcus Hanel, C Mike Mahoney, C Fausto Tejera, INF Mark DeRosa, INF Ray Talbert and INF Marty Malloy to spring training.

HOUSTON—Agreed to terms with 3B Sean Berry on 1-year contract.

NEW YORK—Agreed to terms with RHP Masato Yoshii on 1-year contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

ORLANDO—Activated G Nick Anderson from injured list. Put F Johnny Taylor on injured list.

PHILADELPHIA—Put F Keba Stewart on injured list. Activated F Scott Williams from injured list.

SAN ANTONIO—Activated G Vinny Del Negro from injured list. Put F Malik Rose on injured list.

HOCKEY

NATIONAL HOCKEY LEAGUE

FLORIDA—Sent D Wes Swinson, D Mike O'Grady and LW David Duerden to Fort Wayne, IHL.

N.Y. ISLANDERS—Assigned G Eric Fichaud to Utah, IHL.

PHOENIX—Recalled G Scott Langkow from Springfield, AHL.

VANCOUVER—Put D Enrico Ciccone on injured list. Recalled LW Larry Courville from Syracuse, AHL. Assigned D Bert Robertson and LW Lonny Bohonos to Syracuse.

COLLEGE

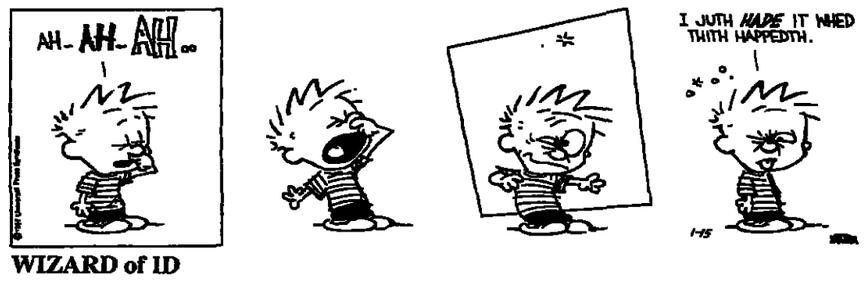
MIAMI, OHIO—Announced freshman F-C Jay Lockller has been ruled academically ineligible for second semester.

WISCONSIN—Announced that junior F Sam Okey has decided to leave basketball team, effective immediately.

DENNIS THE MENACE

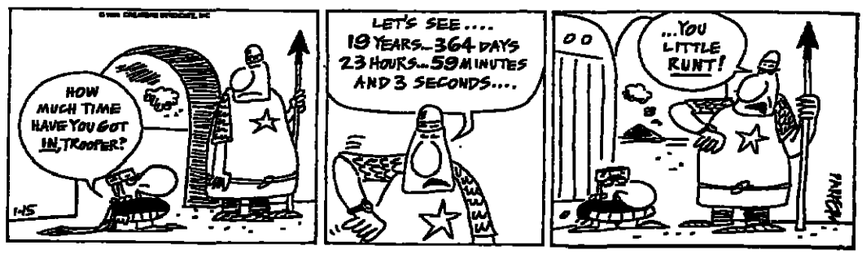
PEANUTS

CALVIN AND HOBBES

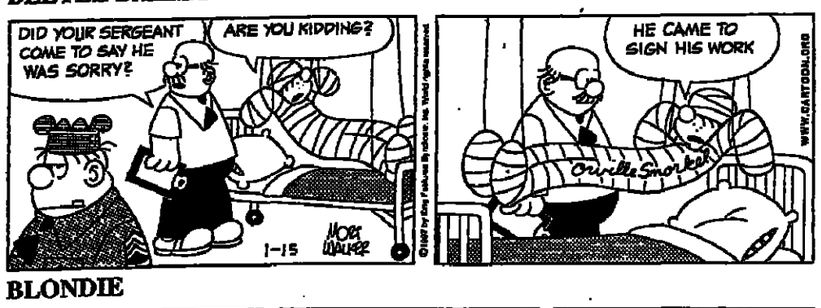


GARFIELD

WIZARD of ID



BEETLE BAILEY



NON SEQUITUR

DOONESBURY

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

WOYLL
VAYEH
NOISOP
ENGALT

Sign seen and it's yours

WHAT THE BACHELOR GOT WHEN HE BOUGHT A HOUSE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Jumbles: MOUND CARGO FLEECE OFFSET
Answer: What the diamond dealer gave the customer — A GEM OF AN OFFER

ENTERTAINMENT
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ART BUCHWALD

The Safe Skies

WASHINGTON — There is good news from your airlines. They plan to use computers that screen passengers to determine which ones should have their baggage examined for explosives. The system, which is obviously foolproof or they wouldn't have bought it, has profiles of what types of passengers are most likely to cause havoc on an airplane. This method of screening the flying public could be an invasion of personal rights, but anyone who has bought an airline ticket knows that the carrier's computers never make mistakes. (Joke)

Buchwald

In the past, whenever I was about to take a flight, I was asked to produce photographic identification (a driver's license or a library card). Then I was asked if I had packed my bags myself, and if they had been solely in my possession at all times since I left the house.

Obviously, I always replied in the affirmative.

The last time I did this the *thought occurred to me — suppose*, God forbid, a person had a false driver's license and perjured himself when he said that he had packed his own bags and even claimed they were in his possession at all times?

Now I am not saying that a terrorist would do such a thing, but let's suppose for argument's sake that he did. How would the security people know if he was lying?

The people manning the security gates will tell you it has never happened. "We depend on the hijacker's honor code," one told me. "If anyone says that he packed his own bags and we later found out that he didn't, we would bar him from ever going through a metal detector again."

"But suppose he tried to go through security with an atomic bomb-laden bag given to him by another person at the airport?"

"We have specially trained dogs to sniff out people who haven't packed their own bags. Only last week we caught a man whose wife had packed his bag for him. He told us that he had done it. While there was nothing dangerous in these bags, we decided to teach him a lesson by tying him to a baggage conveyor belt so that he'd miss his plane."

□

"I would hate to fly if you weren't protecting me. Do you ever come across anyone whose driver's license has expired?"

"Once in a while. You know it's a capital offense to try to use identification that is no longer valid. We caught a passenger only last week who couldn't produce his license because it had been confiscated. It turned out he owed *$1,200 in parking fines*. We couldn't let him through because we had no idea who he was. We made him return to traffic court and bring a photo ID back with him."

The other part of airline security that bothers me is that some metal detectors will not let out a signal even if you are carrying a steel frying pan. Others will go off if you only have a safety pin stuck on your underwear. Why the discrepancy? There is no answer. My own hunch is that it's the airlines' way of keeping terrorists guessing which detector to pass through.

The New Horror Film: Hold the Blood and Gore

By Stephen Farber
New York Times Service

NEW YORK — Horror films have waxed and waned in popularity over the last 70 years, but the genre has proved almost as indestructible as the monsters who populate its haunted castles and subterranean tombs.

At the moment, horror is on the rise again, though some of the purveyors of the new breed of horror movies will go to almost any length to avoid the label.

"I don't like to describe it as a horror film," said Charles Roven as he talked about the new movie "Fallen," which he produced.

That film, which opens Friday in the United States, stars Denzel Washington as a police detective who helps to capture a vicious serial killer and is present at his execution. When other murders with the killer's signature occur, the detective first suspects a copycat but then realizes that the dead man was possessed by a demon that is still alive and is entering the bodies of other people to perpetuate a frightening chain of evil.

Why are the people who made "Fallen" (it was directed by Gregory Hoblit and written by Nicholas Kazan) reluctant to describe their movie, which sounds like a cross between "Seven" and "The Exorcist," as a horror film?

"I think that term may hurt us in the marketplace," Roven replied. "It may seem ironic, considering the enormous success of 'Scream 2.' But that movie, like most horror movies, played to a younger audience. Because we're hoping to have a broader demographic, we don't want to be labeled a horror film. I'd rather call 'Fallen' a supernatural thriller."

Call it what you will, but the truth is that many horror films, going back to the earliest "Dracula," have supernatural overtones, and if the primary aim of a horror film is to terrify its audiences, then "Fallen" fits the bill.

But the producer's squeamishness about the term "horror" may have something to do with the debasement of the genre in recent years, after an onslaught of lurid movies with slashers in ski masks.

"There is so much stigma attached to the genre," said Wes Craven, the director of the original "Nightmare on Elm Street" as well as "Scream" and "Scream 2." "As soon as someone says horror film, usually the next terms are schlockmeister or slashmeister. I don't mind if my movies are called horror films by people who love the genre, but if people look down on it, then I'd rather just say I make Wes Craven movies."

In the last decade, most horror movies were sequels or cheap imitations of "Halloween," "Friday the 13th" and "Nightmare on Elm Street," and their audiences began to dwindle. But the huge success of "Scream" (1996) and its sequel, as well as the recent hit "I Know What You Did Last Summer," another movie written by Kevin Williamson, the author of the "Scream" movies, has revitalized the genre.

"The genre was dying and 'Scream' saved it," said George Romero, the director of "Night of the Living Dead," a cult favorite from 1968. "It's great for all of us horror guys."

Perhaps the main reason "Scream" and "Scream 2" have done so well is that they have brought a humorous self-consciousness to the form, focusing on characters who are well versed in the lore of horror movies and joke about their improbable plots. The "Scream" movies have honored the conventions of the genre and mocked them at the same time.

"Fallen" takes a different approach to the challenge of reinventing the scary movie. It hopes to invoke some of the classics of the genre that depended above all on subtlety and suggestion rather than grisly special effects.

Turner Pictures Worldwide

Denzel Washington plays a detective in the film "Fallen."

One of these movies, Robert Wise's "The Haunting" (1963), is playing on television during a scene of "Fallen." That older movie, about a house haunted by evil spirits, created its mood of dread through sound effects and atmospheric cinematography; it had no overt violence.

Other precursors to "Fallen" include "The Innocents," Jack Clayton's 1961 version of Henry James's ghost story "The Turn of the Screw," and Roman Polanski's "Rosemary's Baby" (1968), which also eschewed gory details but managed to frighten its audience.

Following in that tradition, "Fallen" has almost no horrific Grand Guignol images. Its central conceit is the idea that a person can transmit evil simply by touching a stranger. The climax consists of nothing more spectacular than a battle of wits between two men — one human and one superhuman — fighting over a gun.

Will this restraint appeal to the people who usually turn out for horror films — or even for "supernatural thrillers"? As Craven noted, "The core audience for horror movies is 15- to 20-year-old guys who want lots of blood and guts."

It remains to be seen, of course, whether that audience will find the more subtle chills of "Fallen" satisfying. Trailers for the film have been shown with "Scream 2" and have drawn enthusiastic responses.

"I hope those people won't be disappointed when they see the movie and find that characters actually talk to each other," said Hoblit.

One person who does not object to the label "horror film" is the man who conceived the story for "Fallen": Kazan. His credits encompass many different kinds of movies; he was nominated for an Academy Award for his script of "Reversal of Fortune," the story of Claus von Bulow, and his last project was the 1996 children's fantasy film "Matilda."

"But the first script I ever wrote was a horror film," Kazan said. "So I felt at home in the genre. You can raise issues in the horror genre that you can't raise so easily in other types of films. Characters can talk about the existence of God in a horror movie, whereas in other films that would be incredibly pretentious.

"In addition, I think the metaphor of touch has great psychological ramifications. I believe most of the damage human beings do is a result of the damage done to them. That's what this story suggests when people transmit evil by touching other people."

The director seemed philosophical when pondering the question of whether his supernatural thriller would connect with an audience addicted to more blatant horror.

"I think of that line from 'Field of Dreams': 'If you build it, they will come,'" Hoblit said. "If you make a good movie with an absorbing story line, you have to trust that people will come. If that isn't the case, then I'm in the wrong business."

Weeklong Tribute to Slain Actor Symbolizes Rebirth of Jewish Culture in Russia

By Alessandra Stanley
New York Times Service

MOSCOW — In the early hours of Jan. 13, 1948, the great Yiddish actor and theater director Solomon Mikhoels was slain by Stalin's secret police, spelling the death of the Jewish theater in the Soviet Union.

At midnight Monday, some of Russia's most famous Jewish and non-Jewish artists and performers held a candlelight vigil at the Rossiya Concert Hall in Mikhoels's memory — the finale of an extraordinary weeklong tribute that was both a celebration and a public act of contrition.

"I agree with Solzhenitsyn, we have not repented enough," Yevgeni Yevtushenko said. Yevtushenko, whose famous 1961 poem "Babi Yar" mourned the Nazi massacre of Jews in Ukraine and Soviet silence about it, was one of dozens of artists who performed during the festival. "This is repentance for many murdered writers and my two grandfathers, who were just discarded," he said.

Tens of millions died in Stalin's purges, but the assassination of Mikhoels, who was also regarded as the greatest Shakespearean actor of his generation in Russia, has a special resonance in the uneasy Russian conscience. "The tragedy is that so many great Soviet Jewish figures have been forgotten and eclipsed," said Joshua Rubenstein, the American author of a biography of the journalist Ilya Ehrenburg. He is researching a book on the 1952 trial and execution of some of Mikhoels's closest associates. "There is little left to reflect what they achieved or tried to achieve," he said. "They are remembered only for their deaths."

The festival's 17 events began with a star-studded concert at the Bolshoi Theater on Jan. 5 and included evenings on which some of Mikhoels's former students (who flew in from Israel) sang fragments of songs once performed at the theater Mikhoels founded, the State Jewish Theater. Stalin ordered it closed in November 1948, and it is now known as the Maly Bronnoi Theater.

All week long there were film clips, readings, discussion sessions about Mikhoels and his work, and myriad concerts and dance performances. "The Diary of Anne Frank" was performed in Moscow for the first time since the so-called Khrushchev thaw in the early 1960s. But except for a modern Russian-language adaptation of Mikhoels's staging of a musical parable, "The Journey of Benjamin III to the Holy Land," there were no full revivals of his other productions. Yiddish theater is an art long buried and only recently revived in Russia.

"For whom are you going to perform it?" said Mikhail Gluz, director of the Shalom Jewish Theater in Moscow, who organized the festival. "Yiddish is not a language known or understood by the vast majority of Russian Jews. Even at our theater we only do Yiddish songs and dances, because that people can feel, without understanding the words."

There has been an enormous revival of Jewish life and culture in Russia since communism collapsed, ending state-sponsored anti-Semitism. The Mikhoels festival, which was organized by some of the country's leading artists and writers and sponsored by some of Russia's most influential banks and businesses, was a reflection of that renaissance. But the vast gaps in memory even among Jews here only heighten Mikhoels's contribution and what he came to symbolize in death.

He created the first Jewish acting studio two years after the revolution and with support from the Bolshevik government turned it into the acclaimed State Jewish Theater. Throughout the 1920s, '30s and '40s, Jews and non-Jews flocked to his theater. His "King Lear," performed in Yiddish, was legendary. Mikhoels was a Soviet patriot who believed for a time that he could carve a niche for Jewish culture in the new society.

During World War II, Mikhoels headed the Jewish Anti-Fascist Committee, a propaganda unit of the NKVD, or secret police, that promoted the Soviet war effort among Jews in the West. Mikhoels visited the United States in 1943, the first official representative of Soviet Jews ever to make the trip, and raised millions of dollars for Russia. He also tried to help Jews then and later, using his fame and connections.

'So many served the system and then were destroyed by it.'

The Soviet government tolerated the committee's work during the war, but in the late 1940s, Stalin, increasingly paranoid and anti-Semitic, turned against it and its leaders. The committee was closed down in November 1948. On Stalin's order, Mikhoels was killed — run down by a car driven by a member of the NKVD, which eventually became known as the KGB. Thirteen of the 15 leading members of the committee were tried and executed in 1952.

"It is the tragic paradox of Soviet culture. So many served the system and then were destroyed by it," said Alla Gerber, a writer and former member of the Russian parliament, who was at the show Monday.

The final tribute to Mikhoels was anything but solemn, however. In the vast concert hall, the story of Mikhoels's life, presented in sketches by two well-known actors, was punctuated by variety show dance numbers and songs, garish purple lighting, dry ice and strobe lights. Along with traditional Jewish songs, there was a strong whiff of Soviet kitsch: a Bolshoi dancer performed the dying swan scene from "Swan Lake" to the crooning of Iosif Kobzon, a popular singer. Kobzon, who is Jewish, sang "Shalom Aleichem" and was presented with a special certificate naming him the festival's man of the year.

"The theme is Mikhoels, everything is dedicated to him," Gluz explained. "But the festival is also about Jewish culture. When we started, even Jews said to me, keep it small, keep it quiet and modest. I said, no, it's got to be big, it's got to be on the highest level."

The sheer size of the festival, the number of famous stars and big-ticket performances, seemed to appeal to many participants. "For those of us who lived through Soviet times, this kind of gala is unimaginable," said Eduard Topol, a writer of thrillers who moved to New York in the 1980s and returned to give a reading dedicated to Mikhoels. "Ten years ago, even five, we could not think that this kind of celebration of Jewish culture could ever happen here."

Monday night's dramatic highlight came in the final tableau of Mikhoels's life. Natalya Gundareva, the actress who played Mikhoels's wife, Anastasia, walked to the center of the stage and said, "At this exact time, 50 years ago, Solomon Mikhoels was killed." Seconds later, a black 1940s Volga drove onto the stage and to the sound of screeching tires knocked down huge black-and-white photographs of Mikhoels.

The audience, whose members paid $10 to $25 a ticket, was enthralled.

"We all took part in this tragedy, all of us older people took part in this," said Karnily Levin, a 62-year-old engineer. "Even though some of us didn't pay with our lives, we were all a part of it."

MILAN MENSWEAR

Sex and the Modern Male: Buttoned-Up and Touchable

By Suzy Menkes
International Herald Tribune

MILAN — With hips swaggering, legs straddled apart in hug-me-tight pants, you knew just what the Gucci model was thinking behind his sleek black shades. And what was on designer Tom Ford's mind.

Sex and the modern male is on the agenda of the fall menswear season. After a period of Plain John fashion — minimalist sportswear cut on straight lines — the peacock male is back. But designers who catch the spirit have a fresh take on sexuality, which is absorbed into the cut or the strokeable fabrics.

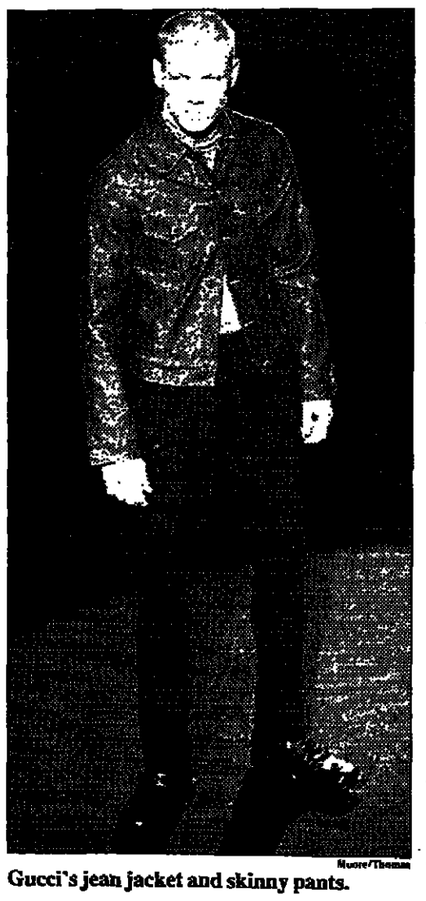
"It's buttoned-up sex — quite classical," said Ford, even though his own shirts are famously unbuttoned and his runway wit this season included the ultimate hairy chest — encased in fur-trimmed tuxedo lapels.

The Gucci show pulled off a neat trick: showing classic, even familiar, pieces like an iridescent suit or camel coat, but inserting sportswear and giving all the clothes a spin by focusing on erogenous zones. That meant homing in on the thighs, as cargo pockets were cut sleekly into suede pants, or the pectorals, when a two-way zippered jacket, in glossy, padded leather jacket, opened up and down from the breastbone.

Ford reinvented Gucci's recently despised red-and-green canvas webbing as the sexy signature of the season. You are turned on by a man's ankle? Then you will love the black denims, cuffed to show a flash of red and green on the inside seam. You like to grab a man by the waist? There was a webbing belt under a soft textured sweater and a tab on the back of jeans. All these individual pieces looked like must-haves for a hip, modern wardrobe, and showed Ford in top form.

Jean Paul Gaultier did Goths, those club scene vampires whose long hair, ghostly pallor and dangling crosses are back in fashion. But for the French designer's second season in Milan, an overall focus on religion gave him a rare chance to play up the classics.

As a church choir sang and votive candles dripped against a cardinal-red curtain, out at a reverent pace came impeccable suits, in stone gray with lighter lapels and cuffs, pinstripes in Gaultier's signature caffe-latte colors and plain, clerical coats. Sure there was a hologram here, an animal-skin pattern there, and a sudden smoldering of check tweed, but they were fabric effects rather than external distractions.


Muore/Theman

Gucci's jean jacket and skinny pants.

The quirky and subversive Gaultier is recanting? Precision cutting to the body and dark satanic prints made the show more about sex than saints.

Missoni had drawn a veil over its stained-glass windows of pattern and color. Instead of bright hues, the weaves were dulled and the signature knits — a hooded jacket or a newly military-style sweater — even came in solid colors, although with patches of tone and texture. Worn under leather jackets or brief dark coats, the subtle palette gave a new urban edge to the clothes and the graphic patterns became city camouflage.

By cutting on lean lines, so that a textured shirt slid into skinny pants and zippers fastened the subtly patterned knits, Missoni proved how successfully it is playing the re-generation game.

The American designer Richard Tyler is also turning around Byblos, integrating soft-to-handle sportswear pieces with youthful tailoring. Other smart mixes: primary yellow, blue and red splashed on a gray palette, and athletic hooded tops or zippered knits in luxurious fleecy fabrics.

Against all this low-key, modern hipness Gianfranco Ferre's high-voltage collection came as a shock, with its sweeping coats, embroidered leather shirts and jackets with (and evidently for) studs. Luxurious, bravura sportswear is Ferre's thing and a lot of skill goes into creating the fancy finishes on laminated raincoats, the sweaters with stitches tracking in different directions, the crocodile effects and deep-pile velvets. But that contrasted with the easy simplicity of the active sportswear ranges on still-life display before the show.

If there are still customers around for he-man glamour, Ferre had the ultimate outfit: white jeans with hairy shearling apparently escaping at the waistband.

The hedonistic pleasure of touch-me fabrics is a big story in Milan menswear. Fendi sent out a swashbuckling black nylon coat fully lined with beaver and a long-haired opossum greatcoat.

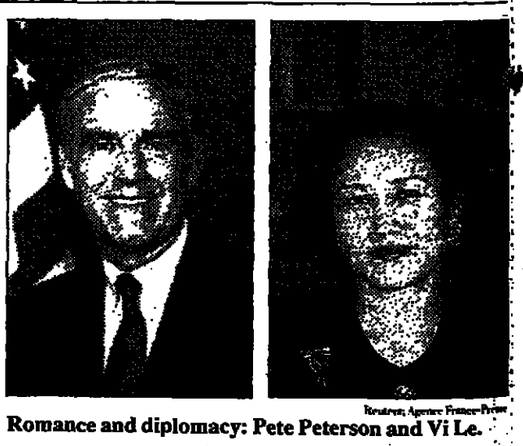
"Strength and virility — I want everything to feel like a sweater and to take comfort to a luxury level," said Donna Karan as she showed her supple unlined jackets, felted tops with raw edges and super-soft sweaters in boiled cashmere. Karan's fine collection defined what is sexy and modern in men's fashion: sharp cutting, often by laser, in tactile fabrics.

"Sport couture" was the name Dirk Bikkembergs gave to his sharp-but-soft sportswear. Showing for the first time in Milan, the Belgian designer made his signatures, from zippers through leather pants and trim knits, seem modern classics.

Romeo Gigli still believes in color and a mix of patterns. He must be credited with introducing the velvet suits that are now on every runway. Gigli's had their usual endearing bohemian elegance.

PEOPLE

THE Spice Girls — "five candy-colored beauties trapped in fashion waste" — topped the fashion designer **Mr. Blackwell's** annual list of worst-dressed women. **Ellen DeGeneres**, star of the TV series "Ellen," placed second. "Comedy Queen Ellen needs to make an overdue wardrobe change, and throw those baggy fashion bombs back in the closet," Mr. Blackwell chided. **Madonna** was third this year. "Let's be blunt," Mr. Blackwell said. "Yesterday's 'Evita' is today's Velveeta." Rounding out the top five were the actresses **Pamela Anderson Lee** ("looks like a Martian Venus — in search of a shell"), and **Jennifer Tilly** ("Tilly the tornado has arrived. She's El Niño — in heels"). Tenth place went to a man: the cross-dressing rocker **Marilyn Manson**. ("He looks like Alice Cooper doing 'Rosemary's Baby.'")


Reuters; Agence France-Presse

Romance and diplomacy: Pete Peterson and Vi Le.

□

The American film director **Martin Scorsese** will preside over the jury of the 51st Cannes film festival, the organizers announced Wednesday. Scorsese is a favorite at the annual festival on the French Riviera, where seven of his movies have been in competition over the years. In 1976, "Taxi Driver" won the Golden Palm, and "After Hours" earned the prize for best direction in 1986. This year's festival will run from May 13 to 24. . . . **Clint Eastwood** and **Michael Douglas** will receive honorary Cesars — the French film industry's equivalent of the Oscars — for their work in movies, Eastwood as director and Douglas as actor.

□

Pete Peterson, the U.S. ambassador to Vietnam has announced plans to marry the Saigon-born Australian diplomat **Vi Le Peterson**, 62, a widower, returned to Hanoi last year as Washington's first envoy to communist Vietnam. During the war he was held in the notorious "Hanoi Hilton" prison after his plane was shot down at the North Vietnamese capital. Le, a 41-year-old commercial officer for the Australian Embassy in Hanoi, left Vietnam with her family when she was an infant. They eventually settled in Australia, where she became a citizen.

□

Sir Colin Southgate, chairman of EMI, whose top money earners include the Spice Girls, has been named by **Culture Minister Chris Smith** to take over the financially troubled Royal Opera House in London. **Lord Chadlington**, the previous head of the opera, resigned after a parliamentary committee accused his board of incompetence. The house is shared by the Royal Opera and the Royal Ballet, which are homeless for two years while the Covent Garden building is renovated.

□

Sylvester Stallone made good on a promise he made when his daughter underwent surgery, at 2 months, to repair a hole in her heart. Stallone donated $200,000 to The Heart of the Child Foundation, which helps youngsters with congenital heart defects. He made the gift in the name of his daughter, **Sophia Rose**.

□

Crown Princess Victoria of Sweden, who was recently confirmed as having an eating disorder, has changed her plans to study at Uppsala University and fled to the United States to escape the Swedish press, the palace in Stockholm, said.